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First Quarter 1993

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FRIENDS OF FINANCIAL HISTORY

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LETTER FROM THE EDITOR

MORE PROFITS. The tale of how American colonists pioneered modern corporate techniques continues in Part Two of our adaptation from the fascinating *Profits in the Wilderness* by Dr. John Frederick Martin. Starting on Page 4 is more of the story of how land companies from the late 1600s such as the Atherthon Company, the Pejepscot Company, and the Pettaquanscutt Company stimulated frontier expansion in Rhode Island, Massachusetts, Connecticut, Maine, and elsewhere. Read how "shares", "priviledges", "voates", and "lottes" were used in some of the earliest chronicles of American finance.

100 YEARS AGO. Last year *Friends* printed stories about the crash and the boom in the markets two hundred years earlier. This year we have been fortunate to obtain permission to reprint a recent article that goes back just one hundred years. You will be amazed at the similarities with today when you read *The Great Panic of '93* by Gerald Parshall. Grover Cleveland, William Mckinley, William Jennings Bryan and J.P. Morgan try to resurrect our country from the chaos created by "the successes and excesses of the gilded age" of the *Eighteen Eighties*.

RED TROLLEY CARS. Sanford J. Mock returns to these pages with an engaging piece about the "Father of the Los Angeles Basin" — better known as Henry E. Huntington. Many of us have visited a library, museum, gallery or gardens bearing the Huntington name. Or, we know about the Southern Pacific railroad or the Pacific Power and Light Company. Or possibly some readers have had a ride on one of those "big red cars" that used to cover the Los Angeles area. Mock tells how all are related.

AND MORE. Also, you will find a short look at the first railroad chartered in the United States (page 34), book reviews including one on the inside story of banking's largest global scandal (page 32), coverage of January's Strasburg auction and show, and museum news.

Richard H. Hoenig

Richard H. Hoenig is a former official at the Federal Reserve Bank of New York, and a past contributor to Friends of Financial History.

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Profits in the Wilderness, Part II

Entrepreneurship and the Founding of New England Towns in the Seventeenth Century

By John Frederick Martin

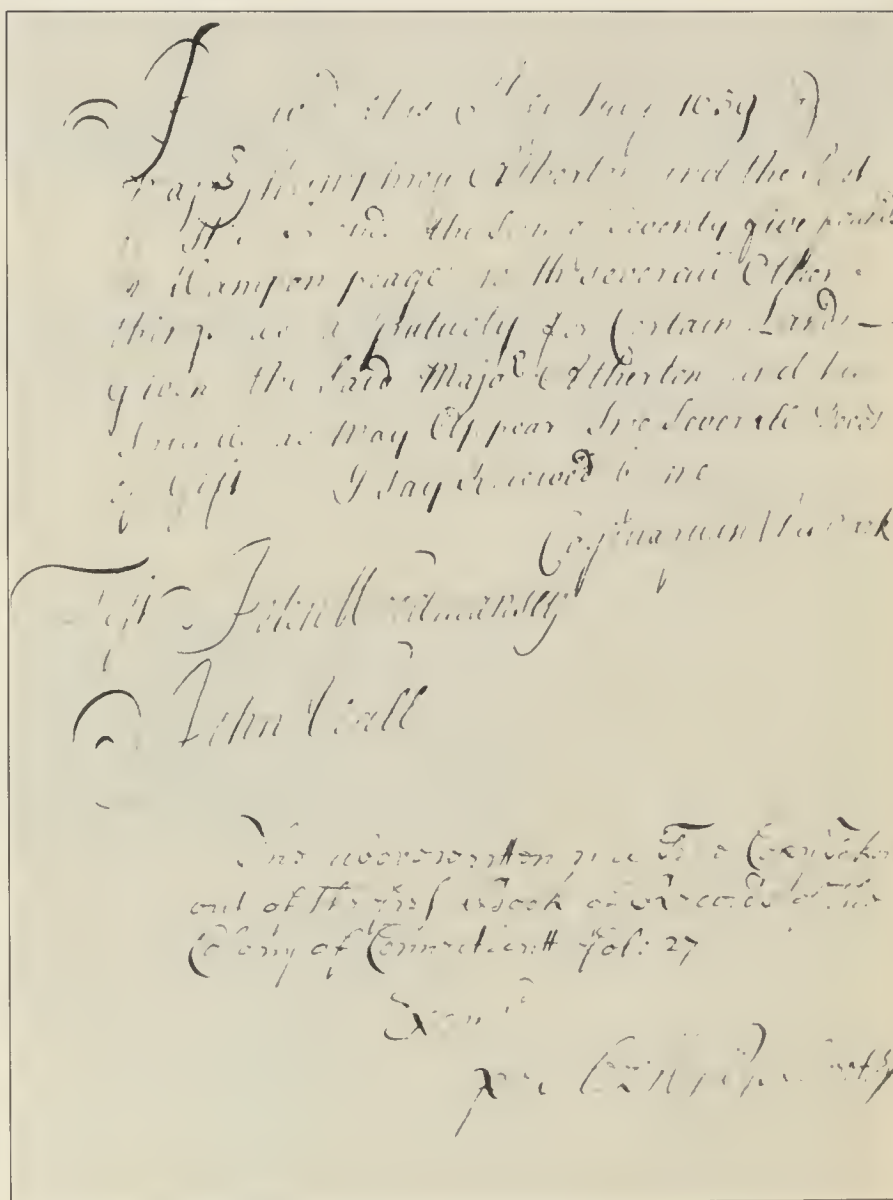
By 1700, Rhode Island still had only a handful of towns, but its land speculators stood out for their precocious use of the business corporation. By delegating management to committees, by creating shares that represented claims on company assets, and by establishing enterprises whose lives could extend beyond those of their founders, Rhode Island's speculators refined the entity that would later become the basic organization of American enterprise.

Westerly, in the far southwest corner of the Narragansett country, was founded after a group of Newport residents formed a company and bought the Misquamicut tract from the Narragansett Indians in June, 1660. The vast majority of the 76 investors never moved to Misquamicut; most lived in Newport, where the company held its meetings. For these Newport residents, Westerly was an investment, not a new home, and it was not even an investment these busy men wished to manage personally. Thus, in August, 1661, the shareholders created a committee of "Trustees" to order "all the affairs of Misquamocuck." These trustees, in turn, appointed treasurers, surveyors, and company agents (who were to "act for us... managing our affairs at Misquamacuck"). The company contracted with men to settle in Westerly, offering five pounds to each settler and assessing the shareholders eight pounds per share to cover this expense.

Westerly was just one of Rhode Island's land companies. In the summer of 1659, Humphrey Atherton and several partners illegally bought from the Indians two large tracts of land in the Narragansett: Quidnesset and Namcook or Boston Neck. Atherton, who had earlier been speaker of the Massachusetts house, attracted powerful men as partners: John Winthrop, Jr., governor of Connecticut; William Hudson, an eminent vintner in Boston; Amos Richison, a Boston merchant,

who also owned shares in Stonington and Westerly; John Tinker, a roving land speculator; and Richard Smith, Sr., and his son, Richard Smith, Jr., Indian traders who owned large tracts of the Narragansett. Soon came other influential investors, including Simon Bradstreet, who became a shareholder in 1660. Bradstreet, the future Massachusetts governor, served on the

company's executive committee. Later, Bradstreet's house in Boston was the site of the company's business meetings. Another early investor was Capt. Edward Hutchinson, a wealthy landowner who hosted the company's first business meeting at his home in Boston; he kept the company's books and put up the money that Winthrop used to pay the Indians' fine.



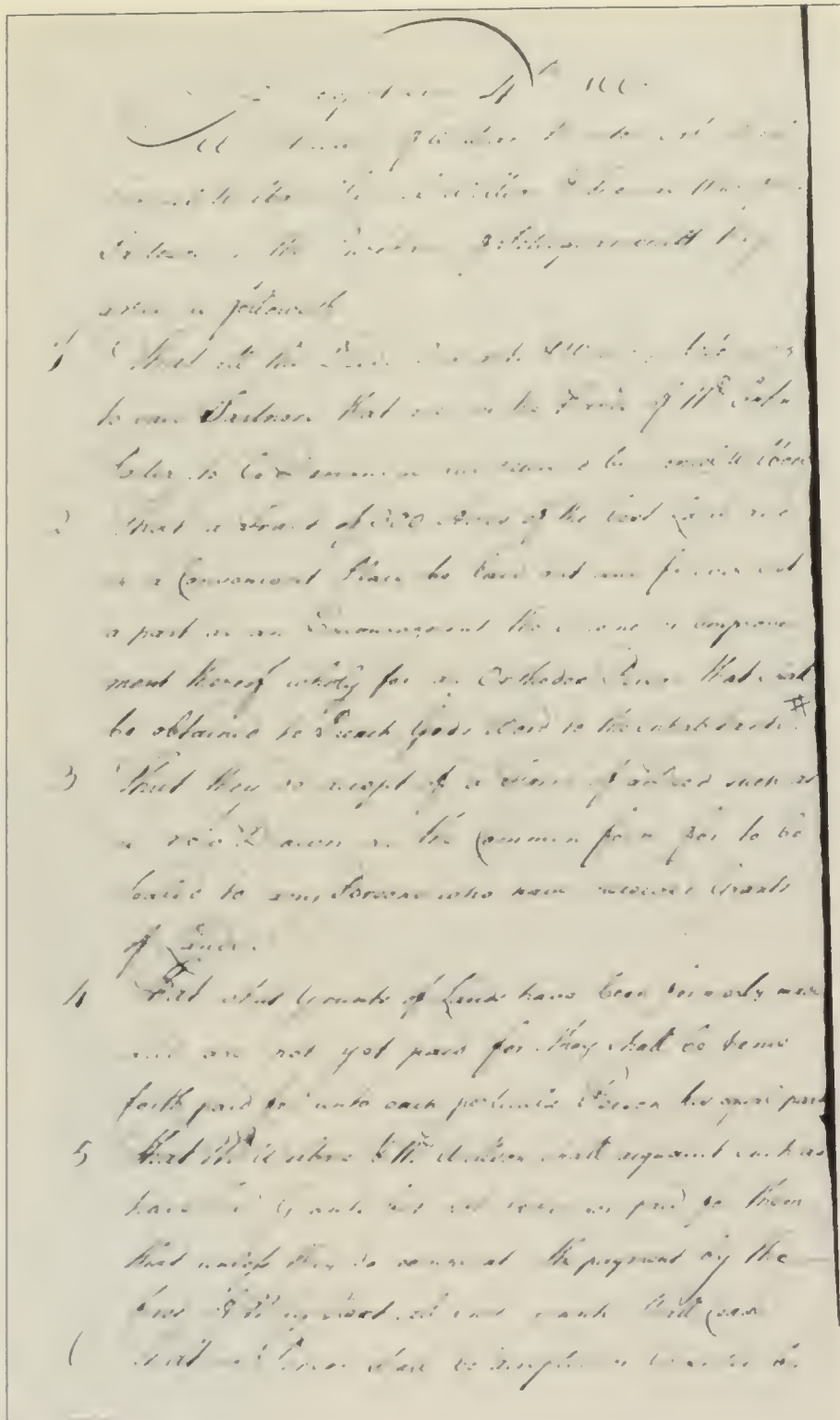
A 1659 Colony of Connecticut receipt for seventy-five pounds of wampum, and "other things", as a gratuity for certain lands, received by Coquinaquan from Major Humphrey Atherton and his friends.

The Atherton Co. shareholders chose the fertile, temperate area of Boston Neck, in the southern Narragansett tract, as the first site for their capital investment. In 1659, they marked out 700 acres for Atherton and 661.5 acres per share for each of the other shareholders. Upon these tracts, the shareholders laid out farms, raising horses and cattle and renting portions to tenants. The shareholders also created a common, on Point Judith, for pasturing their cattle. Then they voted to create, in the northern tract, "a Plantation wch we intende into sixty shaires..." These decisions were among the earliest in American corporate history.

To oversee the founding of this town, the company appointed a committee with authority for "Admitting of Inhabitants and ordering all matters." In 1660, Hutchinson was appointed treasurer to collect "the Eighteen pence an acre of every man that have allotments" — up 50% from the sales price of 12 pence per acre that was set the year before.

Eager to raise profits, the company did its best to speed settlement. In 1678, John Saffin, Simon Bradstreet, and Elisha Hutchinson distributed a handbill in Newport advertising the company's land on advantageous terms. In 1679, the Atherton Co. pooled its resources with its southern neighbor, the Pettaquamscutt Co., to settle the town of Kingston. Then, in 1686, the company agreed to allow 45 families of French Huguenot refugees to settle a 5,000-acre plantation in the town of Kingston at a price of four shillings per acre, cash, or five shillings per acre payable within three years (amounting to 8% interest).

Over the years, other prominent New Englanders bought into the Atherton Co., including Josias Winslow, governor of Plymouth Colony; Thomas Willett, first English mayor of New York; Captain George Denison and Thomas Stanton, founders of Stonington; John Paine, owner of lands in several colonies; Daniel Denison, major general of the Massachusetts militia; and John Brown, commissioner of the United Colonies. These men would meet periodically, usually in Boston, to consider the corporation's conduct of business as an organized land company and its goal of generat-



Land developers were not only leaders in politics, but in religion as well. This 1668 agreement of the Pettaquamscutt Co. sets aside three hundred acres of land for the maintenance of a preacher on their Rhode Island lands, indicating that the developers were interested in the settlers' souls as well as their money.

ing profits for its investors. The company's records use the term "share" in the vague sense of a "piece" or "lot" of land, but they also use it in the modern, precise sense of a claim on the corporation's assets. An investor could sell his "share" in the southern tract without relinquishing his "share" in the company, which conferred both

benefits and liabilities. New investors joined the company by buying one or more of its 22 shares of stock: When Hutchinson was admitted in 1659, the company granted him "equal sheire and Interest with us...he paying his sheire as we doe."

But these corporate pioneers knew enough to avoid diluting their hold-

ings: It appears that after the first year or two, the company issued no new shares, and anyone wishing to invest in the company had to purchase a full or fractional share from a current shareholder. Later, shareholders bore the burden of repeated subscriptions to meet the company's expenses. In 1676, the company raised an assessment of ten shillings per share to send John Saffin to Connecticut to ask for protection against Rhode Island's encroachment upon the company's lands; a year later, to fund a petition to the Crown, the company had to assess shareholders 50 pounds per share.

Another clearly corporate feature of the Atherton Company was its plethora of committees. To keep each of its already busy shareholders from having to devote time to all of its tasks, the company formed committees to manage business between the shareholder meetings, to oversee the planting of a town, to defend land claims, and to lobby against Rhode Island's jurisdiction over the Narragansett lands. The shareholders of the Atherton Co., like today's investors, wanted to make money without devoting all of their attention to the details of the company's business.

The same motive led to the formation of the Pettaquamscutt Co. in early 1657/8. John Hull was one of Boston's pre-eminent businessmen — a merchant, goldsmith, mint-master, and shipowner — but personally inspecting any holdings in Rhode Island would mean a six-to-ten-day journey from his home. So he joined Samuel Wilbore, John Porter, Samuel Wilson, and Thomas Mumford, all of Rhode Island, to make the Pettaquamscutt Purchase from the Indians.

Hull foresaw that this 12-square-mile tract in the southeastern corner of the Narragansett would be ideal for raising livestock for sale and export. In 1677, he wrote: "we might have a very choice breed for coach-horses, some for the saddle, some for the draught, and, in a few years, might draw off considerable numbers, and ship them for Barbadoes, Nevis, or such parts of the Indies where they would vend. We might have a vessel made for that service, accommodated on purpose to carry off horses to advantage." The company acted on his suggestion, and within a few years

Narragansett horses were among Rhode Island's principal exports.

The shareholders divided among themselves roughly 49,000 acres, of which each shareholder farmed part and sold part. Another portion of their purchase, perhaps as much as 43,000 acres to the north of Point Judith, the shareholders jointly sold. At a shareholders' meeting in Newport in June, 1668, it was agreed that all settlers must pay for their lands, with the revenue distributed "unto each particular Person his equal part." Over the next 11 years, the company sold 7,630 acres of land to 24 men in parcels of 200, 300, and 500 acres.

The Pettaquamscutt Co. remained small and tightly controlled. In its first decade, the company accepted only two new shareholders, Rhode Island Governor William Brenton and his

successor as governor, Benedict Arnold. In 1668, at a meeting in Newport, Governor Arnold got "one seventh part of all the lands. . . . Provided, the said Mr. Arnold do pay one seventh part of all disbursements relating to the said lands, both past and to come." The company created no new shares from this early date on. Other men held shares and fractions of shares over the years, but they did so only as the assigns and heirs of the shareholders existing in 1668 — and, at that, only with the approval of the existing shareholders.

Late in the 17th Century, Massachusetts land investors began to look beyond Rhode Island and Plymouth. The Rhode Island government became more protective of its jurisdiction, and the extirpation of the Indians in the 1670s opened the vast expanse be-



NIMIGRET,

FROM THE ORIGINAL DRAWING BY THE ARTIST OF THE 17TH CENTURY.

Image of the Indian Sachem Nimigret, 1654, from the Winthrop family archives.

tween the coast and the Connecticut River for white settlement. One region that drew new investment was the Nipmuck country, named after the Indians who inhabited it. Nipmuck included towns in what eventually became south-central Massachusetts and northeast Connecticut. The Nipmuck was not systematically developed until the 1680s, when the canny Joseph Dudley, president of the royal government council, came on the scene.

King Philip's War had decimated the Nipmuck tribe, and whites quickly squatted on the abandoned Indian lands. When a few straggling Nipmucks returned to the region, fights broke out between them and the whites. In 1681 the court asked Dudley and William Stoughton to investigate the title claims of the Indians and make a report. They met with the Indians in Cambridge; John Eliot served as interpreter. Dudley and Stoughton persuaded the Indians to accept a 25-square-mile tract in their former domain and to sell the rest to the whites. The two men thereupon purchased on

behalf of the colony about 1,000 square miles near the junction of the Quinebaug and French rivers, paying the Indians 50 pounds and a coat. Dudley and Stoughton reserved 2,000 acres for themselves.

As a reward for obtaining the Nipmuck country for Massachusetts, Dudley and Stoughton received a township grant eight miles square, which they promised to settle with recruits brought over from England. This grant included land covered by the present towns of Oxford and Charlton and parts of Dudley, Auburn, and Southbridge. Dudley and Stoughton's partners in this venture were all Englishmen, including Major Robert Thompson, a London merchant and president of the Society for the Propagation of the Gospel in New England, and Dr. Daniel Cox of London, one of the proprietors of West Jersey.

The grantees divided their tract, setting aside 11,250 acres for settlers and 30,000 acres for themselves. By 1686 they had lured 30 French Huguenot families to the new town of Oxford.

But in 1696, Indians attacked Oxford, and the French abandoned the settlement. In 1712, Dudley and the heirs of the other grantees advertised for new settlers for Oxford. By 1713, 30 families had appeared and received a deed from the grantees.

Settlement would have been even slower without Dudley and his partners, for they secured the grant, negotiated with the Indians, bought the tract, hired the surveyor, found the Huguenots, and organized the resettlement when the first settlement collapsed. It was the connections, the wealth, the influence — as well as the greed — of Dudley, Stoughton, and his associates that launched Oxford and its satellites.

The Nipmuck also enabled existing settlement companies to create what were, in effect, new subsidiaries. In 1683, the court allowed Roxbury to establish a township in the Nipmuck. Roxbury then formed an organization of all those residents who did not wish to move to the new town but who nonetheless wished to own land there.

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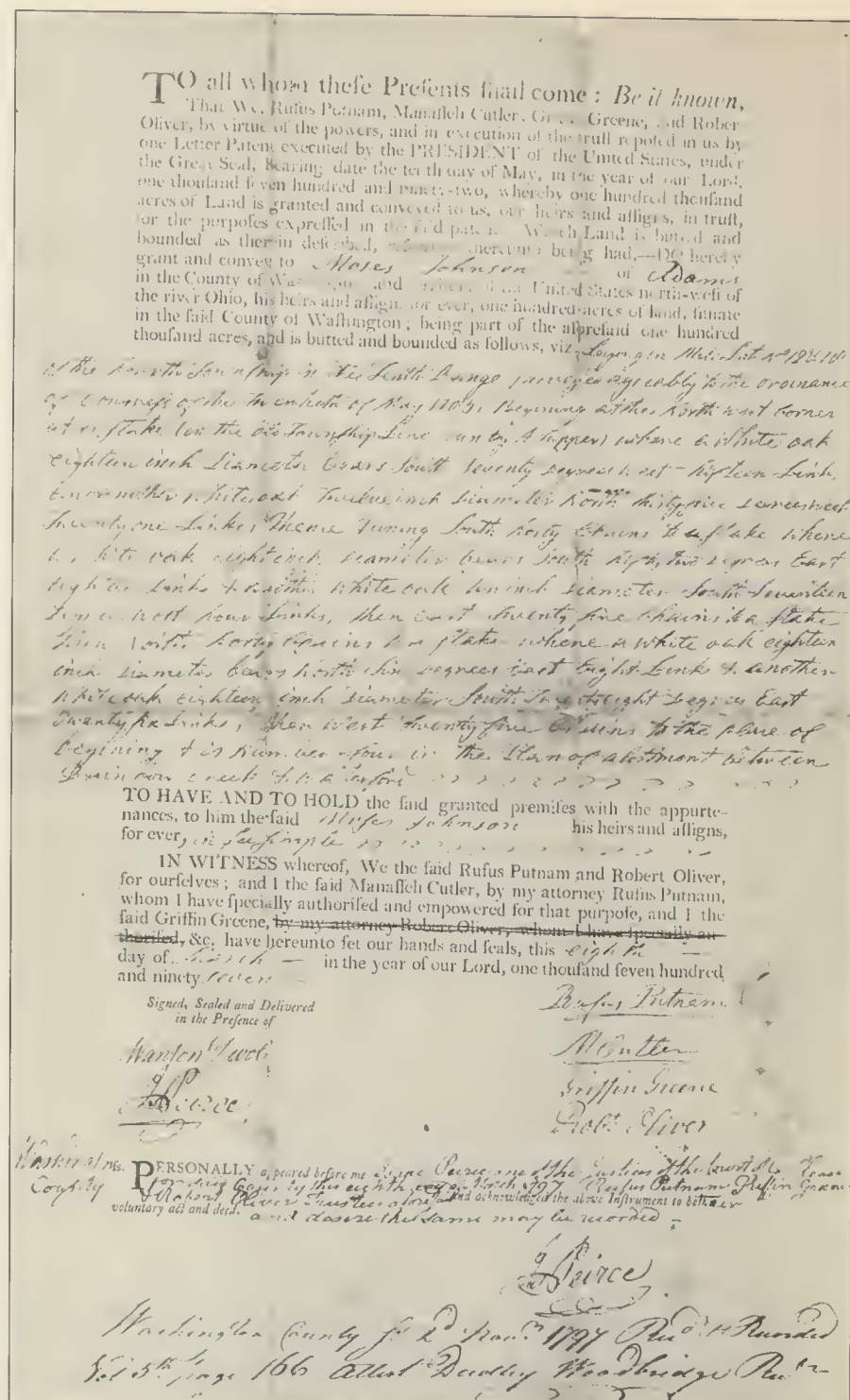
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This society paid 100 pounds to the settlers of New Roxbury, while keeping the northern half of the new township for its own members. By this ingenious arrangement, the differing aims of the "goers" and the "stayers," as they were called, were met. The landless residents of Roxbury won their own land, and the investors got the chance to speculate in the next frontier. The fruit of this collaboration was the town of Woodstock, Connecticut.

It was not by chance that Roxbury should be the town to develop one of the Nipmuck settlements, for Joseph Dudley was the town's leading resident. He undoubtedly helped Roxbury secure the General Court grant. It was also Dudley who on behalf of Roxbury purchased title to the township and who was appointed to draft proposals for settling the new township. By the late 1680s, Dudley or his close associates had helped establish the towns of Oxford, Charlton, Dudley, Thompson, Southbridge, Webster, Auburn, Pomfret, Hardwick, Leicester, Woodstock, and Brooklyn. The boom in Nipmuck lands led by Dudley showed the full power of the entrepreneurship that had been stimulating frontier expansion for several decades.

The absence of continuous political authority made northern New England particularly attractive for land entrepreneurs. In Maine especially, where property titles conflicted, different jurisdictions competed, and organized government was absent, conditions were ideal for individuals to amass large tracts and sell them off in pieces to settlers. By the mid-17th Century the agents of the English proprietors were joined by colonists from lower New England who bought northern lands (just as they bought lands in the Narragansett, Nipmuck, and elsewhere) purely as a speculative investment.

Perhaps the most ambitious speculator who invested in northern lands in the 17th Century was Richard Wharton. He owned land in Rhode Island through his shares in the Atherton Company, invested in the Merrimack and the Nipmuck regions during the 1680s, and was a nonresident proprietor of Dunstable, but the accumulation of a vast estate in Maine was Wharton's largest project. He must have intended to develop some basic industries there,



After the Revolutionary War, towns evolved in much the same way as before. This 1797 land sale agreement signed by Rufus Putnam, one of the organizers of the Ohio Co., documents the sale of land to Moses Johnson from Putnam, Griffin Greene and Robert Oliver.

for the place he chose was Pejepscot, a tract of land encompassing the mouths of the Androscoggin, Kennebec, and other rivers, along with what was later called Brunswick Falls, one of the strongest sources of water power on the Atlantic coast.

To settle Wharton's debts after his death, Pejepscot was sold in 1714 for \$140 to a group of investors who became known as the Pejepscot Com-

pany. This company settled eight to ten towns on the coastline by giving land away, insisting only that the grantees build houses and place settlers upon the land within three years.

Towns began in different ways. Sometimes individuals organized town proprietorships, like the one owning Westerly, and settled single townships. Sometimes they organized land companies, like the Atherton or Sowams

companies, and developed great tracts of vacant land. Sometimes older towns launched new towns, like New Roxbury, by developing land granted by the court or by splitting apart and forming offshoots. But, in each instance, a society of named individuals owned the land, organized the settlement effort, and financed the cost of development. These societies lacked corporate charters, but they must be recognized as corporations. For some time in England, the law had allowed enterprises to acquire a corporate character by long usage of corporate powers. Similarly, the adventurers of the Lynn ironworks, the vintners of Boston, and the undertakers of glassworks all enjoyed the powers of corporations during the 1640s without being incorporated. Harvard College was the only Massachusetts institution that received a charter of incorporation before the provincial period.

Like any formal corporation, these early New England towns governed themselves under their own by-laws, developed the assets they held title to,

and distributed profits and losses. But towns were established expressly to sort out the economic rights of their members, a much more complex task than that faced by other quasi-corporations like vintners, almshouses, or schools.

How did the towns allocate their land? In 19 of the more than 60 towns studied here, the size of each inhabitant's initial investment in the town determined the size of his land share. In Wethersfield, Connecticut, for example, the settlers subscribed to a common fund, out of which they purchased the land from the Indians. They then apportioned allotments in the Great Meadow according to the size of their subscriptions. Later, when the town divided the Great West Field, each shareholder received three times whatever he had received in the Great Meadow. When the town divided the Naubuc Farms tract, each one received twice what he had received in the Great West Field, and so on. Thus the amount of the initial investment went into shares that were used to determine all

future allocations of land.

Even towns founded not primarily as speculative enterprises distributed land as a dividend. In their agreement of 1659, the founders of Hadley, Massachusetts, pledged to divide land according to the contribution each one made toward the purchase of the Indian title and the cost of settlement.

In Waterbury, Connecticut, the founding Articles of Association provided that meadows should be distributed according to each inhabitant's "estate." By 1722, the sum of the town's land shares was £8,637, owned by 36 full proprietors and 57 bachelor proprietors; one original proprietor explained that those figures showed the financial contribution that each inhabitant had made to the town. In 1715, John Standley protested a division that included bachelor rights by arguing that "the first purchasers of the land within the township did thereby acquire a right according to the proportion of what payments they made by order of the comity for the settling of the place." It appears that Waterbury followed the

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Connecticut tradition of dividing land according to people's "venture" in a common stock, and that "estate" here referred to the size of their ventures.

Land in New England towns in the 17th Century was not distributed in equal amounts to every resident, as some historians have thought. It was, instead, distributed equally per share. In many English joint-stock companies — the Plymouth Company, for example — when the shareholders divided profits or assets "equally," the distribution was in fact equal to each person's share. New England towns used the term "equally" in precisely the same manner. The 1653 agreement binding together the founders of Nashaway provided this condition for land division: "That Equallitie (which is the Rule of God) may be observed, we Covenant and Agree, That in a second Devision and so thrugh all other Devitions of Land the mater shall be drawne as neere to equallitie according to mens estates as wee are able to doe, That he which hath now more then his estate Deserveth in home Lotts and entervale Lotts shall have so much ess: and he that hath now Less then his estate Deserveth shall have so much more." Here the founders were doing no more than insisting that the land division be faithful to the share structure, that each should receive land equal to his share.

And when colonists were founding Dedham, they agreed to "beare all equall charges with other men according to his proportion." When the Roxbury residents launched Woodstock, they agreed that it should "be equally and proportionably divided to them." In Woodstock, nonresidents owned shares according to the amount they contributed to developing the town. In at least 22 towns, shares were determined by means other than the initial contribution of capital: perhaps by the usefulness or prestige of the first settler or even by the number of people he brought with him to help settle the town.

Since land distribution was regulated by proportions of interest fixed at the time of settlement, the land system was unresponsive to the changing needs of landholders. Families would grow, their wealth would fluctuate, but year after year they drew land according to the shares that had been determined by



To commemorate the 300th anniversary of the Jamestown settlement, a joint stock venture of the London and Plymouth Companies, the Jamestown Exposition Co. issued this stock in 1906. Vignettes show John Smith being rescued by Pocahontas, and an idealized depiction of the settlement. The original Jamestown venture was far from successful.

their initial size, wealth, or investment. A shareholder's useful trade — milling, tanning, blacksmithing, even preaching — might have helped attract other settlers and thus secured him a large share in the first year of the town. But, if he later abandoned his trade or was incapacitated, his land draw would remain the same — even to his heirs after his death. Likewise, an investor might contribute a large amount to the purchase of the township and then shut his wallet forever against every civic need — but he and his heirs would still share the common land in proportion to his initial contribution. In 1675, New Haven was still dividing land according to "estates" measured in 1638. In 1672, Hartford was still dividing land according to a list of 1640.

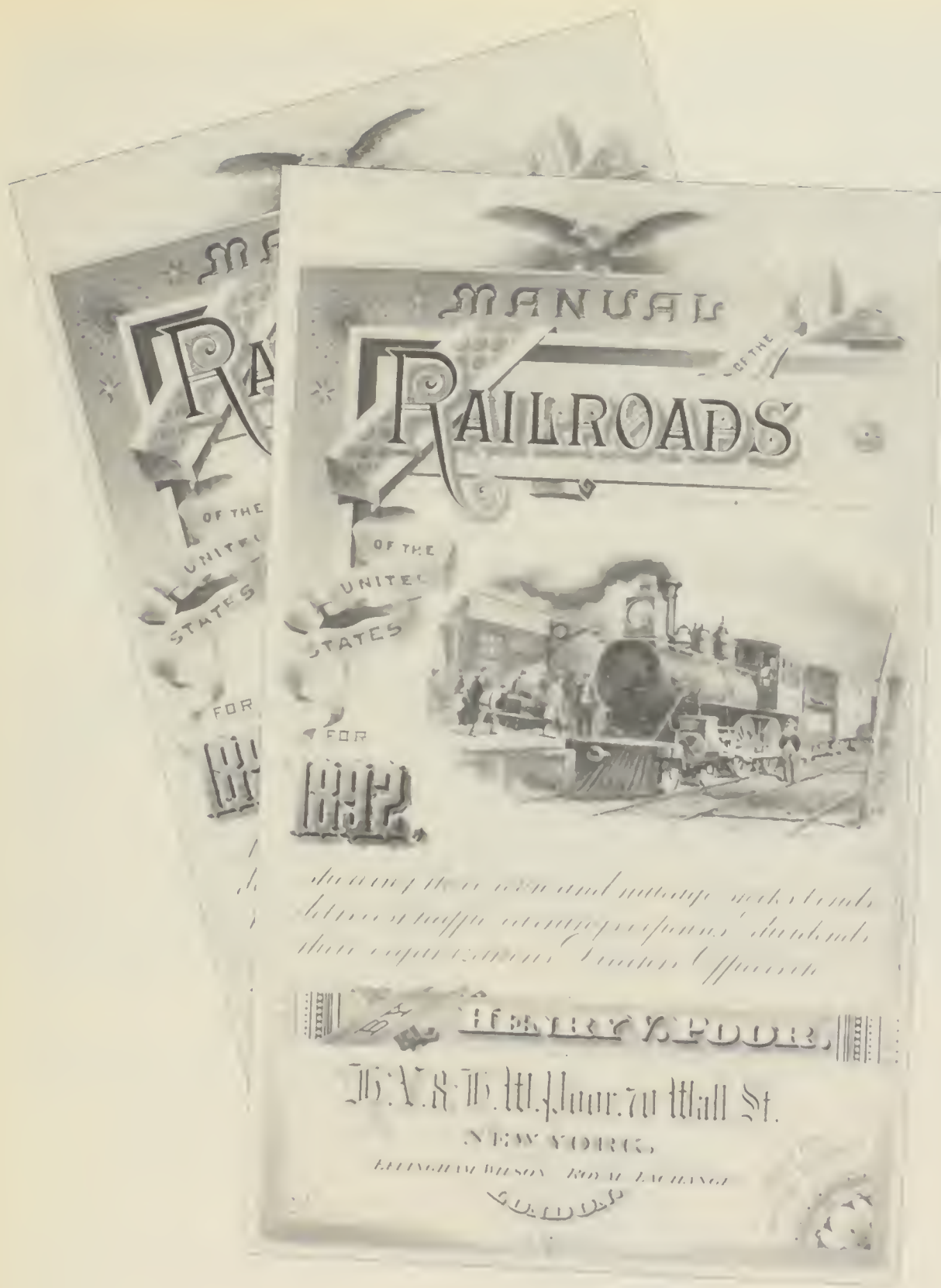
No matter what changes time brought, shares were fixed in most 17th-Century towns. If shares had fluctuated according to inhabitants' changing needs or status, then the land system would have been a communal and truly democratic instrument, regulating relations within the community according to whatever standards the town devised at that moment. But the land system did not have a primarily public or communal function. The extended, even hereditary life of fixed shares amounted to a kind of return on investment even in those towns where financial contributions did not form

the basis of shares. When towns repeatedly distributed land according to an individual's initial contributions to the founding, whether that contribution took the form of renown or wealth or skills, towns were distributing their public assets by rewarding their private investors.

Paradoxically, the fixed structure of land shares made them a tradeable, fluctuating commodity. If shareholders had ever been allowed to increase their original stake as their wealth, abilities, or prestige grew, they would never have been willing to part with their shares. But, precisely because the shares were fixed, they were transferable.

Owners sold land shares to realize gains, but also to escape assessments as the town consumed more capital; shucking off fractional shares was a way to share that pain. In at least 21 of the 63 towns studied here, town affairs were financed solely by assessments upon shares during their first years.

This method of raising money resembled a stock transaction. When people in these 21 towns paid their taxes, called "rates" or "proportions," they were fulfilling a promise they had made in their initial articles of agreement, namely, to bear charges in "proportion" to their interest in the land corporation. Also in those articles, often in the same clause, town founders had agreed to divide the land "and all



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other privileges," as the Billerica agreement put it, "acordinge to or publique charges." In other words, shareholders agreed to pay assessments upon their shares and in return to receive, in precisely the same proportions, dividends in land.

In 1640, New Haven raised half its rates from estates — probably meaning "shares" — and half from land. Two men who wanted larger land rights were granted their wish and had their "estates" increased when they agreed to pay additional rates. In this arrangement, rates amounted to reinvestment in shares, which entitled the owner to dividends of land. In Lancaster, also, one could increase one's "estate," pay larger rates, and receive more land.

In being financed in this manner, these 21 towns were no different from the Atherton Company, the Pettaquamscutt Company, the various Dudley ventures, or, for that matter, any 17th-Century joint-stock company. Like them, towns in their early years raised revenue irregularly, not on an

annual schedule. Like them, towns had investors who split up their shares under the pressure of repeated assessments or subscriptions. Like them, they used shares to award benefits in the same proportions as liabilities were assessed.

The financial burden rested upon shareholders for the simple reason that they were the ones capable of bearing it. Uniquely able to finance town activities, shareholders routinely shouldered expenses that went beyond the purchase, surveying, and dividing of their land. In Woodstock, the town voted to engage a man to build a gristmill, with "each planter" billed according to his shares; when Medfield required people to work on highways, small shareholders were to come with their hands, and larger shareholders were to come with teams. Despite laws stipulating that "every mann" must contribute to the ministry, in several towns — including Amesbury, Lancaster, and Wrentham — the burden of supporting the minister fell

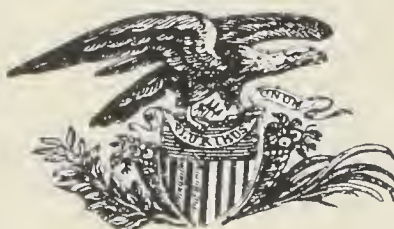
exclusively upon members of the land corporation even though he served the entire community.

Once towns got on their feet, shareholders ceased bearing the sole financial burden, as towns began taxing other forms of property, not just land shares, and other residents, not just shareholders. But the narrow distribution of shares tended to limit political rights, since the franchise was restricted to landowners.

At one time or another during the 17th-Century lives of Boston, Cambridge, Ipswich, Dedham, Springfield, Haverhill, Marlborough, Warwick, Norwalk, Lebanon, and at least 11 other towns, the "inhabitants" voted in town meetings, controlled the rights to the undivided land, and did not admit all residents to the enjoyment of these two essential privileges. The "inhabitants" of these towns enjoyed a monopoly of power and land. In 1647, Dedham had as many as 107 taxpayers but appears to have had fewer than 85

"I still see nothing to worry about..."

Charles E. Mitchell,
Chairman, National City Bank, October 25, 1929



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voters, suggesting that at least one-quarter of the taxpayers owned no land shares and thus were disenfranchised and excluded from "Towne priviledges." Even so, shares often changed hands, and men seem sometimes to have voted for a woman, probably a mother or sister who owned a land share. (Women owned land shares in Dedham, as in many towns.) However often shares may have changed hands, the number of land shares stayed the same over a 20-year period, the number of voters stayed the same, and much of the adult male population was excluded from sharing both the undivided land and political power.

In all these towns the "admitted inhabitants" (occasionally called "townsmen") controlled both the town meeting and the land corporation and excluded non-shareholding residents from participation in either. In 1679 the Norwich town meeting ordered that "the power and privilege of voting in town meetings in ordering any town affairs shall only belong to those who are the purchasers of the said plantation and consequently to their lawful heirs and not to any others who have been or shall be admitted to be inhabitants upon other considerations."

Whether voters were resident or not, they sometimes counted their votes by shares, not by hands, when voting on land matters: in this political habit, towns resembled English joint-stock companies. The Dorchester "town meeteing" voted in 1642 that "all Oregenale lottes In the necke of Land shall have there Voates About planteinge the Necke: and If any have bought one: two or three more or les: they shall have soe many Voates as they have lottes." The General Court not only endorsed this method of counting votes; it required it. In 1667, the court reversed a Woburn town vote on the grounds that Woburn had failed to count votes by shares. In resolving that town's controversy, the court ordered Woburn's land be divided solely among "those that are legally interested therein" and that all future divisions be ordered by those with the "grcater" interest.

Occassionaly people objected to voting by shares. Proprietors and nonproprietors fought each other in Windsor, Connecticut, over this is-

sue, the former wishing to count votes by rights represented and the latter by hands raised. The proprietors of East Greenwich, Rhode Island, declared in their founding covenant of 1677 that all decisions would be made by majority vote and that although one man might have more than one share, he should not have more than one vote about anything relating to said land.

Certainly land companies that founded towns voted by shares. The Sowams "Company of Proprietors" decided that "in all things concerning the premises be accounted accordingly to the number of shares and proportions which each one does enjoy". The Atherton shareholders frequently voted by proxy, with one individual casting the votes of several absent voters; this style of counting votes placed emphasis on the share, not on the holder of the share. So it is likely, though there is no way of telling one way or another, that the Atherton Company also cast votes according to shares. The Conihasset Partners, an association claiming a large part of Scituate, recorded the following vote on March 1, 1640: "Agreed by the Company being met together for the ordering of the said land ... that what shalbe voted by the company, the greater vote shall carry it ... and that every thirtyeth part or share shall have one voyce and that two half shares shall have but one voyce."

Shares shaped the essential relations between individuals and their towns. They gave to towns a strong business character by reflecting the principle that rights were anchored by investment. Towns were similar to land companies in so many other ways that it is possible, though not recorded, that some towns voted by shares on all matters, not just land matters. But even if they voted that way just when managing land, voting by shares was yet another manifestation of the business precocity of New England colonists. Not until the Restoration did English joint-stock companies switch from voting by hands to voting by shares, when only a few large enterprises, like the East India Company, made the switch.

In America, land corporations were counting votes by shares at least

by 1640, if not before then. In this behavior, colonists did not so much borrow as pioneer corporate techniques.

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THE GREAT PANIC OF '93

100-YEAR-OLD VERSION OFFERS STRIKING SIMILARITIES

BY GERALD PARSHALL

The rich get richer while the poor get poorer. The ancient lament rings truer than ever as the discontent of the 90s feeds the strongest sense of separation between the classes in many years. As the country struggles to rebound from S & L failures and other excesses of the 80s, economic recovery revs up and then sputters: joblessness rises. Demands for protection against foreign competition fill the air along with cries for fairer taxes. The president, his popularity at an all time low, is accused of do-nothingism and challenged both by the other party and by a populist firebrand. One of the wealthiest men in America offers to save the nation from fiscal disaster ...



President Grover Cleveland was in office less than two months when the Panic of 1893 struck.

The characters in this potboiler of the 90s are not George Bush, Bill Clinton or Ross Perot. They are Grover Cleveland, William McKinley, William Jennings Bryan and J. P. Morgan, a legendary financier who chugs into Washington in a private rail car to rescue the nation's gold reserve from impending default. The supporting cast

includes the like of Mary Lease, an agrarian radical who believes farmers should "raise less corn and more hell." The Panic of 1893, the crisis was named, after the Wall Street events that started it. In fact, it was a full-scale depression that dragged on for 4 years while unemployment bobbed near 20 per-

cent and the country fractured more bitterly than at any time since the Civil War. The farmers of the South and West hurled maledictions at the trusts and banks of the Northeast, labor cursed capital, poor hated rich.

This pungent slice of history may be no more than that. And yet those wondering where America is going next may wish to ponder the Panic of 1893, which paved the way for major realignments of power and profound changes in policy.

By the 1890s, the successes and excesses of the gilded age had created an economy ripe for a crash. A century earlier, Americans had numbered a mere 4 million and were clustered on the eastern edge of a vast continent. Now, they totaled more than 60 million and had spread all the way to the Pacific. Cold, heat, drought, the corn borer, the alfalfa weevil, the grasshopper — the farmers who conquered the wilderness had fought all these. But now a new enemy was upon them, hatched by the sweat of their brow: glutted markets. Farm prices had been falling for decades, while costs kept rising. The homesteader had claimed his 160 acres from Uncle Sam, shivered and gasped in a sod hut and then gone into debt to build a small frame house for his family or to buy a new cow or plow. With a profit margin as slim as shaft of winter wheat, he often could not pay off his mortgage. He was one hailstorm or dry spell — or one economic downturn — away from foreclosure.

Back East, the great engines of industry had expanded pell-mell since the Civil War; vast trusts sprang up to limit competition and fix prices for oil, lead, sugar and much else. But some laws of economics could not be repealed. The National Association of Stove Manufacturers in 1888 agonized over "a chronic case of too many stoves and not enough people to buy them." The



One of the trusts that sprang up after the Civil War to limit competition and fix prices for oil was the Standard Oil Trust. An unissued certificate for the trust, signed by John D. Rockefeller as president, is shown above.

wild and woolly 80s left manufacturing bedeviled by overproduction, railroads overbuilt and banks laden with high-risk loans.

The Panic of 1893 struck less than two months after Grover Cleveland took the oath as president and just three days after the opening in Chicago of the Columbian Exposition, the great world's fair that would salute the genius and bounty of the age. The trust that controlled the production of twine went bankrupt on May 3. Stock prices plunged; Wall Street brokerage houses began to topple. By year's end, 600 banks or savings and loan associations had closed down; 15,000 businesses had failed; half the rail mileage in the country had tumbled into receivership. Eastern banks squeezed Western and Southern banks, which squeezed local debtors. Farm foreclosures multiplied across the land.

Hungry mouths multiplied as well. Joblessness reached 25 per-cent in Pennsylvania, 35 per-cent in New York and 43 per-cent in Michigan. Municipalities and private charities opened soup kitchens, where patrons chopped wood, broke rocks or sewed for their supper. In Paterson, N.J., needy adults got a daily ration of 4 cents' worth of bread, pork, beans and rice. In New York, 20,000 homeless camped at police stations and other makeshift shelters. In Chicago, the *Herald* reported that factory girls, "the poor things," were "selling their virtue" to feed their families. In Detroit,

Mayor Hazen Pingree created a community garden on parcels of vacant land, supplying seeds and tools. "Pingree's Potato Patch" became a model for many cities.

Tens of thousands of gaunt, grimy men took to the roads in search of work. By the spring of 1894, four vagabond "armies" converged on Washington, D.C., the largest led by Jacob Coxey, an Ohio quarry owner who demanded a \$500 million road-building program and other public-works projects to employ the jobless. The bands of bindlestiffs at first stirred visions of violent revolution. But by the time the 500 Coxeyites straggled, unarmed and footsore, into well-garrisoned Washington, alarm had turned to ridicule. When Coxey's crusade ended with his arrest for walking on the grass at the Capitol, millions laughed, although many cities adopted Coxey-like publicworks programs.

Americans found less amusement in the attempts of organized labor to fight privation. Unions were weak and still distrusted by most people as radical and suspiciously foreign. Strikes briefly shut down coalfields across the country and rocked New England textile mills. But labor's *cause célèbre* was the Pullman strike. Eugene Debs's new American Railway Union paralyzed rail transportation across the North and West to protest the Pullman Palace Car Co.'s decision to cut wages by one-fourth even though fat with



Cleveland's nemesis was Republican 'moneybag' J. Pierpont Morgan, who strode into Washington offering to bail out the sinking U. S. Treasury

profits. Federal troops sent to Chicago by President Cleveland broke the strike at the cost of several days of bloody tumult. Rioters blocked tracks, torched exhibition halls at the former world's fair and burned hundreds of boxcars while newsboys back East hawked papers blaring "Mob Rule Supreme."

For the West and South, the answer to the depression was neither public works nor strikes. It was free silver — an issue that would split the Democratic Party as none had since slavery. On the rise since the 80s, the push for the free and unlimited coinage of silver ignited into a crusade. Free silver would not only lighten the dead weight of rural debt by inflating the dollar, silverites preached, it would also, somehow, correct all other inequalities between the regions and the classes.

The silverite creed won no favor at the White House. Grover Cleveland, descended from a long line of Puritans, often seemed at peace with himself only when clinging to principle at the cost of popularity. To him, free silver was fiscal folly. Pump priming, tax cuts, the automatic easing of credit — these modern tools of economic stimulus were no part of his universe. Gold was his lodestar. The world's other great currencies were redeemable in gold; America's must be, too. By his lights, the depression was only a crisis of confidence. It could be solved by convinc-



Though fat with profits in 1893, the Pullman's Palace Car Company cut wages by one-fourth. This cut resulted in the widely supported Pullman strike, which paralyzed rail transportation across the North and West. Shown here is an 1893 share certificate for the Pullman Company

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A Kidder, Peabody & Co. offering of United States 5 per-cent bonds, issued by the Treasury to replenish the sinking gold stock, in February 1894.

ing investors, at home and abroad, that the United States would maintain a strong dollar.

Which was no easy task. Since 1875, the U.S. Treasury had maintained a gold reserve of at least \$100 million for redeeming greenbacks. When surging redemptions shrank the reserve to below the totemic \$100 million level for the first time, on April 22, 1893, jitters jolted Wall Street. The panic began 12 days later. Cleveland regarded the Sherman Silver Purchase Act of 1890 as a major culprit. It required the government to inflate the currency by \$50 million a year by buying silver and issuing new legal tender Treasury notes redeemable in gold or silver. The law aroused fears that the gold standard was ultimately doomed, spurring redemptions of the more valued metal. Cleveland muscled a repeal through Congress in late summer, but pressure on the

gold reserve didn't ease. The depression had cut revenues drastically, and officials at the time had only one way to cover shortfalls. They dipped into the gold reserve.

Cleveland, always a champion of low tariffs as a fillip to prosperity, next proposed a dilution of the harsh McKinley Tariff of 1890. His recipe for reform, garnished by 634 amendments by Senate chefs, was turned into protectionist hash. The new Wilson-Gorman Tariff did give agrarian radicals a notable concession: a federal income tax. Federal revenue had been coming entirely from tariffs and other regressive consumption taxes that hit the poor hardest. Now, a new tax of 2 per-cent was to apply to incomes of \$4,000 or more, than a princely sum. A chill passed through the Union League Club and wherever the rich found shelter (the New York Tribune counted 4,047 millionaires in the nation — 1,103 in New York, none in Kansas).

Challenged in the Supreme Court, where one wizened lawyer warned that the "communistic march" would eventually lead to a rate of 20 per-cent, the income tax was ruled unconstitutional.

In early 1894, with gold hoarding on the rise and the gold reserve sinking, the Treasury sought to replenish the gold stock by selling 5 per-cent bonds. But half of the bonds sold were paid for with gold withdrawn from the reserve itself. A second issue was soon needed. By February 1895, with many Europeans pulling their investments out of the wobbly American republic and even U.S. companies nervously shipping gold abroad, the reserve had sunk to \$41 million. Silverites gloated; gold bugs fretted. Default and devaluation threatened to arrive before the first robin of spring.

J.P. Morgan was soon striding across the ice on Lafayette Square to the White House. He and allied bankers were prepared to supply \$65 million in gold via a private bond issue. While he awaited Cleveland's decision, his bulbous nose pulsating with impatience, Morgan pulverized a cigar in his hand. Cleveland had no wish to be rescued by a Republican moneybag, but he had no choice. The New York subtreasury had \$9 million in gold coin left; a \$12 million draft was pending. The government accepted the deal — issuing 4 per-cent, 30-year bonds bought by Morgan and his syndicate at 104 and resold by them to the public a couple of weeks later at 112 and more. An *Atlanta Constitution* headline screamed: "A Wicked Deal. Rothschilds, Morgan and Belmont Skin the Country."

The Morgan bailout confirmed the silverites' conviction that Cleveland was a puppet of the plutocrats. The 1896 Democratic National Convention, dominated by the forces of free silver, nominated for president the 36-year-old "Boy Orator of the Platte," William Jennings Bryan of Nebraska. Bryan, august in his black alpaca coat, won over the delegates with a rafter-rattling speech, skewering Eastern bigwigs: "You shall not crucify mankind upon a cross of gold." Cleveland and most of the party's traditional leaders bolted the ticket. The Republicans nominated William McKinley, he of the 1890 tariff, and invited all who

cared to save civilization to donate money. Outspending the Democrats 6 to 1, McKinley beat Bryan by 600,000 votes out of almost 14 million.

Reformers were down but far from out. The assassination of McKinley in 1901 brought to power Vice President Teddy Roosevelt, who saw the need for big changes to defuse social and economic frustration. Under Roosevelt and later Woodrow Wilson, the progressives of both parties busted trusts, regulated railroads, passed pure-food and -drug

laws and moved generally toward a redressing of the worst imbalances of the gilded age. Even that old friend of the nonrich, the federal income tax, got back on the books via the 16th amendment in 1913.

As for the '90s depression, no silverite, no gold bug, no politician of any stripe led the way out of it. What led the way were locusts in Argentina, excessive rainfall in India, hail in Eastern Europe. Foreign crop failures in 1897 raised U.S. farm prices smartly,

wheat rising from 50 cents to \$1 a bushel. Western farmers were paying off mortgages and leafing through mail-order catalogs as 1897 turned into 1898. Prosperity, reversing course with the nurturing sun, rolled across the land from west to east.

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MUSEUM NEWS

Annual Fundraiser

Weather report: cold, rainy, lots of wind, umbrellas not working. In short, a perfect evening for the Museum's third annual fundraiser, January 11, 1993. Inside The University Club, at Fifth Avenue and 54th Street, the mood was warm and friendly, and over one hundred friends of the museum, now in its fifth, year visited, exchanged news, and enjoyed some light refreshment. Some lucky people even went home with a door prize.

Molly Bailey, a trustee from Washington, D.C., introduced the speakers, beginning with Wallace L. Ford II, the New York City Commissioner of Business Services. He told a couple of entertaining stories, and was followed by Congressman Jerry Nadler, who praised the project and expressed his willingness to be a part of future developments. Kathryn Freed, City Councilwoman from downtown and keen follower of the Museum's progress, also offered words of encouragement.

Bailey introduced John Herzog, fellow trustee and Museum founder, who reported that operations were moving along on schedule, and that exciting new programs were coming. Herzog told the audience that the fifth year of the Museum project has been designated as a development year, with appeals for funds to underwrite a living history project, and the creation of lesson plans for teachers using objects in the Museum collection. There is also a new exhibit planned, "Economic Sectionalism and the Civil War" which will show how financial policies used by the Union and the Confederacy affected the outcome of the war. There has been a good amount of early interest in this exhibit (expected to open in early April), and

hopes are high that it will travel to other cities.

It was also reported that the trustees have offered a special incentive to anyone joining the museum as a Hamilton Society member during this development year — that the \$500 which would normally go into operating revenues will be put directly into the Museum endowment. Proceeds of the fundraiser will also go to endowment.

John L. Watson III, another trustee, introduced the Museum honoree, Edward I. O'Brien, outgoing president of the Securities Industry Association. Watson and O'Brien have worked together on many industry projects over the years, and become close friends. Watson mentioned O'Brien's many accomplishments, his years at Bache & Co., and his widely praised work for the Securities Industry Association during sixteen years.

Tireless and thoughtful work on a wide variety of securities industry issues has brought O'Brien the gratitude and respect of people all over the country.

Watson was deeply grateful to O'Brien for accepting this honor from the Museum, its first award, for "Outstanding Service to the Capital Markets."

There was a tremendous show of appreciation as O'Brien was presented an engraved glass obelisk by Herzog and Watson. The recipient responded with thanks and kind words for the Museum and its mission. O'Brien was joined by his wife, Margaret, and three of their children.

Spirits were high as the speeches ended, and more visiting and refreshments followed. The event was a great success, after lots of hard work by Anne Keane and Tom Trott, and more than \$20,000 was received from supporters all over the country. Friends and supporters are thrilled with the success of the benefit. Many thanks!

The Museum is located at 24 Broadway at Bowling Green Park. Hours are Monday through Friday, 11:30 a.m. to 2:30 p.m., and by appointment. For additional information, call (212) 908-4110.

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New York — The Museum of American Financial History gave its first award for "Outstanding Service to the Capital Markets" to Edward I. O'Brien, the outgoing president of the Securities Industry Association, a post he held for sixteen years. Presenting the award at the Museum's January fundraising reception are (from left to right) John E. Herzog, Museum founder and trustee, Mr. O'Brien, and John L. Watson III, Museum trustee and president of the Security Traders Association.

Created five years ago, the Museum is located at 24 Broadway in the heart of the financial district, and is the only Museum to focus on the history of the American capital markets. The next exhibit, scheduled to open in mid-April, will explore Civil War financing and is titled, "Economic Sectionalism and the Civil War". For additional information call (212) 908-4110.

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HUNTINGTON — AS IN LIBRARY, GALLERY, GARDENS, RAILROADS AND TROLLEY CARS

By SANFORD J. MOCK

Huntington is a famous name in American railroad history but is also known to many patrons of U.S. art galleries, parks, gardens, museums and even electric trolley buffs. Collectors are familiar with the signature of Collis Potter Huntington (1821-1900) on stock certificates. One example is the Short Route Railway Transfer Company of Louisville, Kentucky, signed in 1855 by Huntington as president. Another example is the Cincinnati, Indianapolis, St. Louis & Chicago Railway Company, 100 shares registered to Huntington in 1887, with his signature on the verso.

Collis Huntington was one of the "Big Four", (Leland Stanford, Mark Hopkins and Charles Crocker were the others), who incorporated the Central Pacific Railway in 1861. Huntington was primarily responsible for obtaining land grants and financing from the U. S. government to develop the road, which would run east from Sacramento to be linked with the Union Pacific in Utah in 1869.

Huntington then turned his attention to the Southern Pacific, which ran south through the center of California to Los Angeles, then east through Albuquerque and El Paso to New Orleans. Central and Southern Pacific together had 9,600 miles of track.

Huntington was president of the Southern Pacific until his death in 1900; His nephew, Henry Edwards Huntington (1850-1927), was vice president. The death of Collis unleashed the remarkable talents of Henry Huntington. His foresight, imagination, administrative ability, and vast experience in railroading (including the management of electric street-car lines) made it appropriate to call him Father of the Los Angeles basin.

Henry's ample abilities were catalyzed by the enormous capital left by his uncle. He inherited a third of Collis Huntington's Southern Pacific stock, worth \$4.35 million, plus additional securities and real estate valued at \$4.9



This Short Route Railway Transfer Company 100 share certificate was signed by Collis Potter Huntington in 1855, as president, and has a bold, dark signature that collectors like to find.

million. Collis' widow, Arabella, received the remaining Southern Pacific stock worth \$8.7 million, plus \$6.3 million in other securities.

Arabella and Henry, who were the same age, married but not until thirteen years later. They joined as partners in 1901, however, to sell the Southern Pacific stock to Edward H. Harriman for \$22.3 million, a handsome one-year profit of over 70 percent! Twenty-two million dollars, of course, in 1901 was a huge fortune.

As one of the richest women in the country, Arabella Huntington began collecting art in New York in the early years of the century (she amassed a significant collection, much of which was donated to the Metropolitan Museum of Art in New York after her death). After her marriage to Henry in 1913, she left her New York home to focus on developing a collection in their home in San Marino, now the site of the Huntington Gallery and Library.

After the sale to Harriman, Huntington used his capital (perhaps Arabella was an investor with him) to exploit his belief in the great destiny of

Los Angeles. At the turn of the century, L.A. was a vast tract of land with few people, 50,000 residents in 1890, and just 100,000 in 1900. It was the stimulation of the railroads, the Southern Pacific and the competing Santa Fe, which encouraged new settlers, particularly from the midwest.

By 1915 there were a half-million people in the area, but little industry. The salubrious climate attracted escapees from the rigors of winter, but they came for an easier life-style, not to build great businesses.

With Huntington's immense capital, he was able to finance urban development on a grand scale. With partners he created the Pacific Electric Railway in 1901. Huntington realized that as transportation spread, land values would rise. His syndicate bought land, improved it, brought in the electric railway, then sold lots for houses at greatly enhanced values.

To generate electricity for his trolley network, Huntington organized the Pacific Power and Light Company in 1902. He sold its excess power to the neighboring municipalities. A subsid-

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As a college student at UCLA and a resident of Beverly Hills, I worked in downtown Los Angeles for a couple of summers. I would board the Red Car at the Beverly Hills station and ride comfortably for 35-40 minutes, about as long as it takes to drive today — only then I could enjoy the luxury of reading.

[illegible]

100 shares in the Cincinnati, Indianapolis, St. Louis & Chicago Railway Company issued to Collis Porter Huntington in 1887. Leaving school at the age of fourteen, Huntington went on to become a leading American railroad builder.

Huntington's Big Red Cars and then their demise lies the greatest irony of the infrastructure history of Los Angeles. This 140-square-mile metropolis is crying for viable public transportation, the kind it had nearly a century ago — and lost. Only now is a reborn street car system slowly coming into being.

From the perspective of the financial document collector, the trade bill — pay order check shown here, signed by Henry E. Huntington, is an unusual, outmoded example. When receipted by the payee, the instrument became a check, payable at the Farmers and Merchants National Bank of Los Angeles. Farmers and Merchants was acquired in the 1930s by Security Pacific National Bank which in turn became part of the Bank of America in April 1992.

Henry Huntington, through his brilliant blending of inter-urban transit, land and power development, was an enormous contributor to Southern California. He also made a magnificent gift to the nation and the world with the establishment of the Huntington Library and Museum and Gardens on the park-like grounds (207 acres) of his and Arabella's home in the San Marino section of Pasadena.

It was after 1910 that Huntington began to re-direct his energies from business to the building of a great fine arts collection and his acclaimed library of rare books and documents. Mainly from his New York headquarters, he purchased books and documents around the world, investing some \$6 million

between 1910 and 1917.

Deciding to keep library, museum, and gardens as a private institution, he and Arabella established a trust ownership in 1919 and endowed the Henry E. Huntington Library and Art Gallery with \$8 million.

Huntington was involved in so many activities on such a scope that his name was known to all, including children. The impact of the great man is charmingly expressed in this story related in a biography written in 1914 by Isaac F. Marcossou.

A mother was taking her young daughter for a trolley ride to the beach. The child asked, "Whose street car are we riding in?" "Mr. Huntington's," was the reply. Passing a park, the little one asked, "What place is that?" "Huntington Park." "Where are we going, mother?" continued the girl. "To Huntington Beach." Arriving at the sea, the child, impressed by the sameness of all the replies, ventured one more query: "Mother, does Mr. Huntington own the ocean or does that still belong to God?"

Sanford J. Mock is a Senior Vice President of Investments at PaineWebber in Beverly Hills, CA. He is a frequent contributor to Friends of Financial History.



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Pay voucher for the Pacific Electric Railway Co. signed by Henry Edwards Huntington, as president, in 1903. Pacific Electric was instrumental in the building of the San Francisco street railway system.

A GERMAN PERSPECTIVE ON THE AMERICAN AUCTION SCENE: STRASBURG, PENNSYLVANIA, 1993

By RÜDIGER K. WENG

When I heard in 1988 that R.M. Smythe wanted to have their next stock and bond sale in Strasburg, Pennsylvania, I took a map and asked myself: What do they want to do in the middle of nowhere? And I decided to watch this effort from a distance.

But after I went to the second event in 1989, every time I get Smythe's announcement regarding the next Strasburg show, I get a thrill. So there was no question for me whether to go this time.

Because I saw the American market on its way up, I decided to put extra effort into this trip to get good material at reasonable prices. For a German the current Dollar-DM rate helps a lot, but I don't think the dollar will stay at this level for many more months. So I decided to buy a lot and hoped especially to get nice autographed stocks, material I like best.

It was the first time I arrived at the show so early. Weather was fine and not too cold. I knew that the food at the Inn is excellent, so I thought, it'll be a relaxing day. But I was wrong! There was a lot of activity from the beginning. And not only shaking hands and exchanging rumors!

You know who was the first to show his material? Dave Beach from Florida! The other dealers arrived Thursday, the official set-up day. I saw Frank Hammelbacher and Ira Unschild from New York. Scott Winslow from icy New Hampshire and Bob Greenawalt from the more pleasant California. Bob is one of the earliest pioneers in the field and I love to hear him telling stories about times when an MKT signed by Jay Gould was \$5 and an American Express Wells/Fargo sold for \$25. Do you believe that we finished a swap in Strasburg started almost two years ago?

That evening Dave Strebe had a reception in his room. It was very informal and I liked that. This couldn't happen at a German show: Dealers



German dealers Mike Kruppa (Berlin), Tankred Menzel (Lenfhorde) and Rheinhold Tschöpe (Kaarst)

sitting on a bed, eating shrimps with one hand, showing antique stocks with the other. And I got one of my best deals in this room. It was long after midnight when I left and I had to hurry to get at least four hours sleep.

Friday most of the collectors arrived, and I knew that I'd have strong competitors at the auction. The Germans had all arrived. There was Joerg Benecke, who organizes the most important European stock and bond show in Frankfurt and Mrs. Tschöpe as well as some collectors who joined the show for the first time. Mike Veissid and Keith Hollender from England were

there. It's always interesting to discuss the British market with them.

Finally, my best American friend, Haley Garrison, arrived with his wife Hannelore. There was so much to do that I couldn't say much more than "hello" at this time.

Trading was very brisk. There was a lot of cheap Penn Central material around. Buyers are only interested in cheap prices for this material now.

My main interests were autographed stocks, bonds and other financial documents. Not surprisingly there was almost nothing around that hadn't been seen before, but I could



Richard Gregg (New Jersey), Wil Roberts (NY), Jerry Fuchs (Georgia) and Paul Gibson (Tennessee)

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pick up at least one or two nice items from almost every dealer.

I also looked for unusual and highly decorative pieces, but had a lot of competition. Dealers went crazy when a long time collector opened his books with very good material. But they all calmed down when they saw the prices. I feel the prices were ahead of the market, but there is so little new material available.

What always surprises me is that even dealers very often don't know the value of a stock. I bought an Andrew Mellon signed mining piece for \$25, a Henry Frick signed railroad for \$50 and a stock issued to and signed by Eli Lilly, founder of the world-famous pharmaceutical company named after him, for \$15.

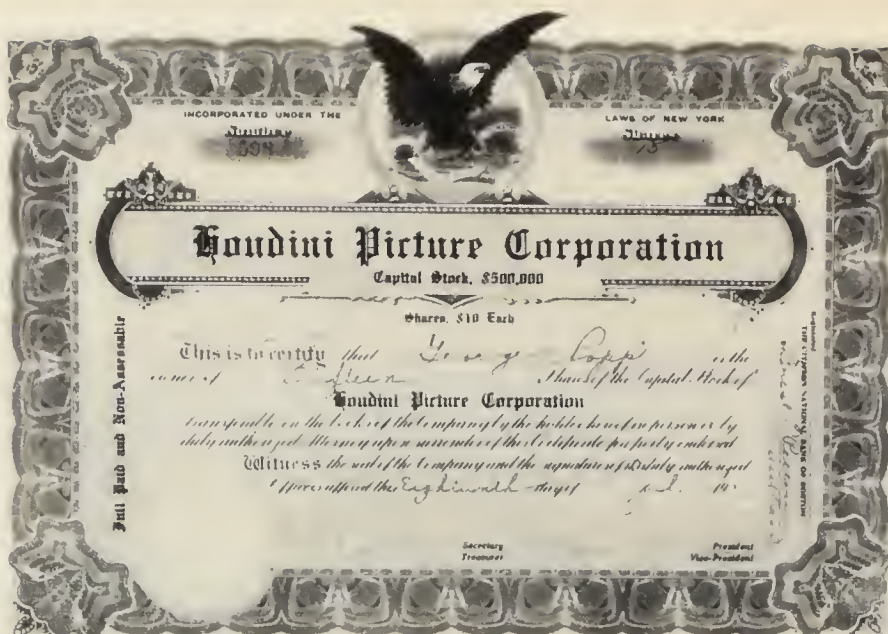
I tried to find out how the dealers were doing at the bourse, but this is not easy because an American usually says "great", even if he doesn't sell anything. My feeling is that everybody who had new or interesting priced material did well.

On Friday evening I was getting a little more nervous, at the first part of Smythe's auction. There is no other auction in our market that offers so much interesting American material, especially autographs. No wonder, that this is my favorite auction every year.

It is now easy to work with Smythe's catalogs. Almost every lot is pictured and the famous signatures have been copied on separate pages. They talk about the condition of the pieces, but I have to say that the condition of auction material in Europe is usually better. The only thing I don't like are the estimates. They are erratic — some too high, many too low. For a mail-bidder it is not easy to put bids in that will be successful. But the auction itself is more fun to watch than ours in Germany. The bidding is much more active, because of the low estimates. I like seeing that I am not the only dealer buying. You don't usually see dealers bidding in European auctions anymore. Another factor is Paul Jung, the best auctioneer we have in our market.

When the sale started, the room was packed. Every chair was occupied and some bidders had to sit on the window-sills. This was real auction atmosphere!

The auction had a lot of high-lights: An Eric Railway stock, issued



This rare Houdini Picture Corporation stock certificate, with the magician's signature as president, sold for \$2,800.

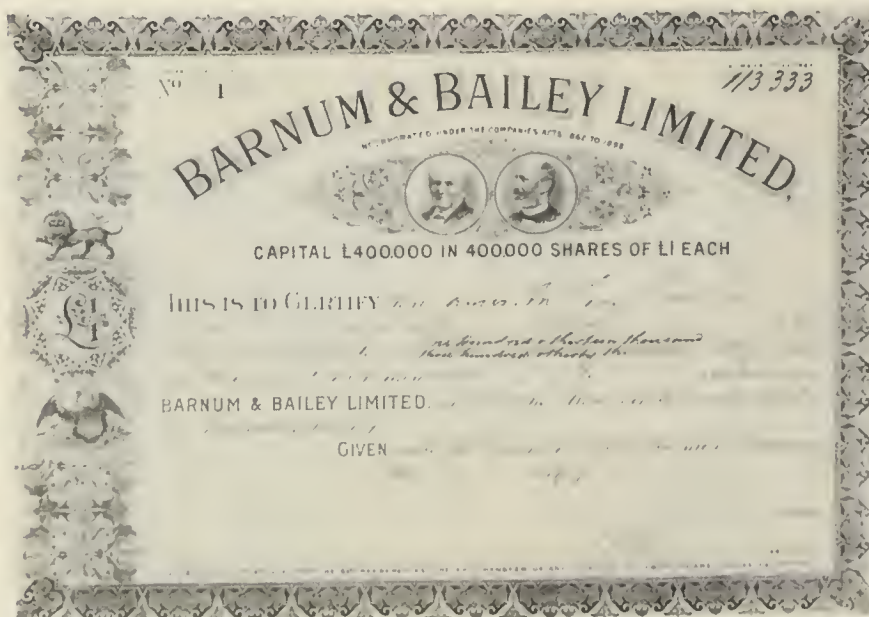
just after Jay Gould was ousted as president, sold for \$875 against an estimate of \$125. A very scarce Houdini Picture, signed by the great magician himself, sold for \$2,800. John Hertz, founder of Hertz Rent-a-Car, was on offer for the first time. One of the leading American collectors finally won the piece at \$1,750.

Daniel Drew, first time seen in an American auction, sold for \$3,100. A very important certificate of the English Barnum & Bailey, issued to James Bailey sold for \$1,000 against a \$500 estimate — but I had expected a higher price. There were quite a lot of Edison

signed stocks on offer, no wonder that not every one reached its estimate. A triple signed "Edison Portland Cement" did well at \$3,000.

There was not much floor bidding on the specimens — part of the audience had left the room. But for very special items people were prepared to pay good money. Edison Electric Light fetched \$900. Saint Nicholas Bank with a vignette of Santa Claus sold for \$1,550 — but I still wonder what is so special about the piece to justify this price.

American auctions start late so we finished — a little bit tired — just



This English Barnum & Bailey issued to James Bailey sold for \$1,000, against a \$500 estimate.

before 11 p.m. Scott Winslow had his reception which seems to be a standard event during the show week. I really love these evenings. There are a lot of interesting people, conversation is informal and everybody is very relaxed. This is quite different from meetings we have in Europe. And what I especially like: Everybody is thinking positive—almost nobody talks badly about his competitors.

Saturday the bourse again opened at ten in the morning. You can see some people are getting more and more tired. Four hours of sleep, five days in a row is not enough. We are not like Edison who could manage this all year long!

Saturday evening was the second part of the auction. I had to be on time, because right at the beginning was one of the original bonds that J.P. Morgan used to buy out Andrew Carnegie, Henry Frick and Henry Phipps to form U.S. Steel. This historical bond had been signed by Phipps. I finally won this lot for more than three times the estimate.

The "Witch of Wall Street", Hetty Green, sold for \$2,900, and a Theodore Woodruff signed security went to an American dealer for \$1,250 against an unrealistic \$200 estimate.

Prices for American automobile stocks were high. They sold in the \$200-\$400 range, double what they went for two years before. Airplane securities did even better. After heavy bidding, A German collector won the beautiful Harriman Aeromobile, with the vignette of the machine and the original signature of Emery Harriman, for \$1,450.

The ever popular Standard Oil Company, triple signed by John D., sold for \$12,500. The beautiful Central Pacific RR bond, only offered once in an auction before, sold for \$7,800 to a German collector, who was looking for this piece for a long time. The building of this railroad is one of the most important events in American history.

The audience was surprised when two Germans were bidding up a subscription fund certificate of the Bank of the U.S. signed by Stephen Girard from \$500 to \$2,200. But the greatest surprise for me came at the end: there was a lot of interest in Confederate material, so many prices doubled and tripled compared to what we paid three



Airplane securities did well at auction. This Harriman Aeromobile, with lovely vignette and Emery Harriman signature, sold for \$1,450

year ago. This is in line with the autograph market where any Confederate material is doing extremely well now.

Total turnover was almost \$300,000. That makes this sale the most successful in our market since the 1990 "Classic Effecten" auction in Dusseldorf. The mail bid only section added another \$100,000.

After this auction another reception! First I met John and Diana Herzog and you could see in their eyes they

really were happy with the results! We discussed trends in Scripophily and agreed that we are in an improving market. Prices are sometimes erratic, but the general trend is up.

Sunday was the day to pick up all the material. There were some problems during previous shows, but this year everything seems to go almost perfectly. After all those years, R.M. Smythe has a really good team. Everybody knows what to do, and everybody



This beautiful Central Pacific Rail Road Company bond, only offered in auction once before, sold for \$7,800.

is kind and friendly. This time, I had absolutely nothing to complain about!

Even the best time has its end and we all had to say "Auf Wiedersehn". But I didn't leave before I made a reservation for next year's Strasburg event at the Inn!

When I returned to Germany after two more weeks of travel within the U.S., collectors and dealers asked about my general impression of my visit. In a few words I told them: The American market is improving at a good pace. It's doing even better than the European at the moment. And I never enjoyed a show so much as Strasburg 1993. (See additional Strasburg photos on page 38.)

Rüdiger K. Weng, the owner of Classic Effecten GMBH, in Krefeld, is one of Germany's leading dealers in antique stocks and bonds securities.



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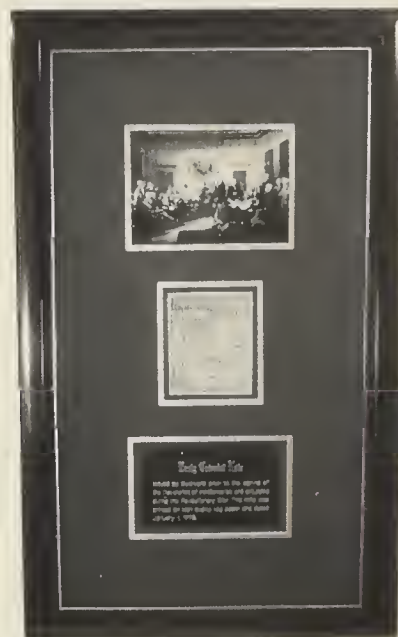
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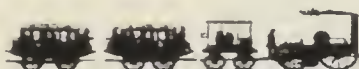
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BOOKS

SOMETHING OLD ...

Robert Sobel, *Panic on Wall Street: A History of America's Financial Disasters* (Macmillan, 1968).

The romance and intrigue of financial panics and fraudulent schemes, both in the United States and abroad, has always fascinated readers. Books on these subjects are hard for a bookseller to keep on his shelves, and Robert Sobel's *Panic On Wall Street: A History Of America's Financial Disasters* is no exception.

In this book, published in 1968, Sobel traces the history of, and analyzes twelve of America's most dramatic financial disasters. They were chosen to illustrate several points concerning the nature of panics. Along with the 1837 crisis in Jacksonian finances, and the Great Crash Mythmaker of 1929, Grover Cleveland's ordeal and the Panic of 1893 was chosen for its major importance and significant impact on the life of Americans. The twelve panics Sobel selected were dramatic, and in his view somewhat neglected or inadequately interpreted by other historians.

Few people reading this book will have lived through a major panic, even the recessions of the 1950s are becoming a dim. Wars too have be-

come something we read about in history books. In reading about wars, one is usually searching for the events that caused the war. The origin of a panic, however, is much more complex according to Sobel.

Such was the scene as Grover Cleveland prepared to enter the White House in 1893. Work was abundant, wages were high, but the Treasury gold supply was down, silver had replaced gold in domestic transactions — putting America on a double standard. The solvency of the nation was in question. Wall Street at the time lacked strong leadership as J.P. Morgan was still making a name for himself. As the year progressed, monetary problems, bank failures, and poor corporate earnings — to name but a few problems — continued to affect the country's mood. In his way of simplifying a problem, Cleveland failed to initiate the correct solutions, and panic continued.

Panic on Wall Street is packed with interwoven, details, and the reader must have a good grasp of the overall historic perspective to achieve an understanding on first reading. It is this interdependence of facts, however, that complicates the events leading to a panic in the first place.

In his conclusion, Sobel states that "financial panics have been endemic to America, as to all Western countries". Most occurred during periods of optimism when everything seemed headed upward. An exception, however, was the Panic of 1893, which was predicted in advance. This

prediction probably came as the result of the weakness in the financial structure to adequately handle the problems. It wasn't until the New Deal that the systemic faulty banking practices were corrected — bad practices that could only lead to financial problems and panic.

The Panic of 1893 evolved slowly and did not involve a "moment of truth" after a period of self-deception as occurred during other periods. The question of gold, too, has been a significant factor in many panics including that of 1893. In 1893 America's economy was still vulnerable to what happened overseas, and, even though today's international markets are even more closely aligned, Wall Street and Washington have more impact on world markets than being impacted as in the past.

In his conclusion Sobel asks the question whether there "will be panics in the future, and if so, what form will they take?" The answer, he states, is not simple, but with today's (1968) stronger banking community and more effective government the likelihood has diminished.

A typically readable Sobel book, *Panic on Wall Street*, can provide the reader with a good grasp of significant financial crisis in the United States. The extensive notes on sources and bibliography provide a basis for further study. Robert Sobel, who as a professor at Hofstra University, has with his other business history books, provided an important contribution to the literature of Wall Street and the business history of the US. *Panic on Wall Street* is highly recommended as an introduction to "America's Financial Disasters," and can be found in out-of-print bookstores usually for around \$25.

— Ray Boas

... SOMETHING NEW

Peter Truell & Larry Gurwin, *False Profits: The Inside Story of BCCI, the World's Most Corrupt Financial Empire* (Houghton Mifflin, 1992, \$24.95).

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ample than the Bank of Credit and Commerce International (BCCI) which was the first global Third World bank. At one time it had \$30 billion in deposits in 73 countries. During the 1970s and 1980s BCCI flourished, secretly taking over the largest bank in Washington, D.C. in order to influence U.S. policy in the Middle East. Finally, in July 1991, BCCI was put out of business, although it still had nearly one million customers worldwide, many of modest means.

The first half of *False Profits* has tons of factual information, which tends to wear the reader. The authors, two investigative reporters, tell everything they know in the second half of the book all the trouble that has built up comes to light, helped by the efforts of Robert Morgenthau, the District Attorney of Manhattan in New York City. BCCI was structured so that no single central bank or regulatory authority had primary responsibility for its shenanigans. The chief insider, Agha Hasaan Abedi, was a master illusionist, who was obsessed with power, which he artfully contrived from men, including Clark Clifford and Robert Altman, to serve his purposes. To him all money was attractive and the bank would do anything necessary to make dishonest transactions look legal.

As oil prices rose, BCCI pros-

pered. Early on, sound bankers did not want to deal with its branches or affiliates as Middle East corruption skills were beyond their understanding. Fraud was at the heart of the bank and insiders knew all along. Others were slow to learn. For example, depositor's funds were used to take risks in foreign exchange, futures, and options markets. Some \$849 million was lost from 1982-1986. The cover-up continued until a 1990 Price Waterhouse report said, among other things, that BCCI lent shareholders \$1.48 billion against 60% of the bank's shares. Recognized equity capital was made up of loans and not equity.

It is understandable that Clark Clifford could feel innocent because all through his life he used power in sure ways and so he felt in control of the BCCI situation, although he never was. Bank insiders developed the idea of innocence by association. Another example was using former President Jimmy Carter, who had his own programs for helping poor countries. BCCI is the biggest bank fraud ever and shows that friends in high places can delay ultimate justice retribution. The lesson is not to associate with unorthodox individuals who do things differently. Once it is discovered they don't know the rules, it is too late. The book has a fine appendix of chronological dates,

excellent notes on sources, a good elective bibliography, photographs of the good and bad guys and a complete index. The reader will learn more than you ever wanted to know, but will you be ready for the next scam or major fraud? Apparently, the more extraordinary the deception the more we accept the deceit.

— James L. Fraser

Books Received

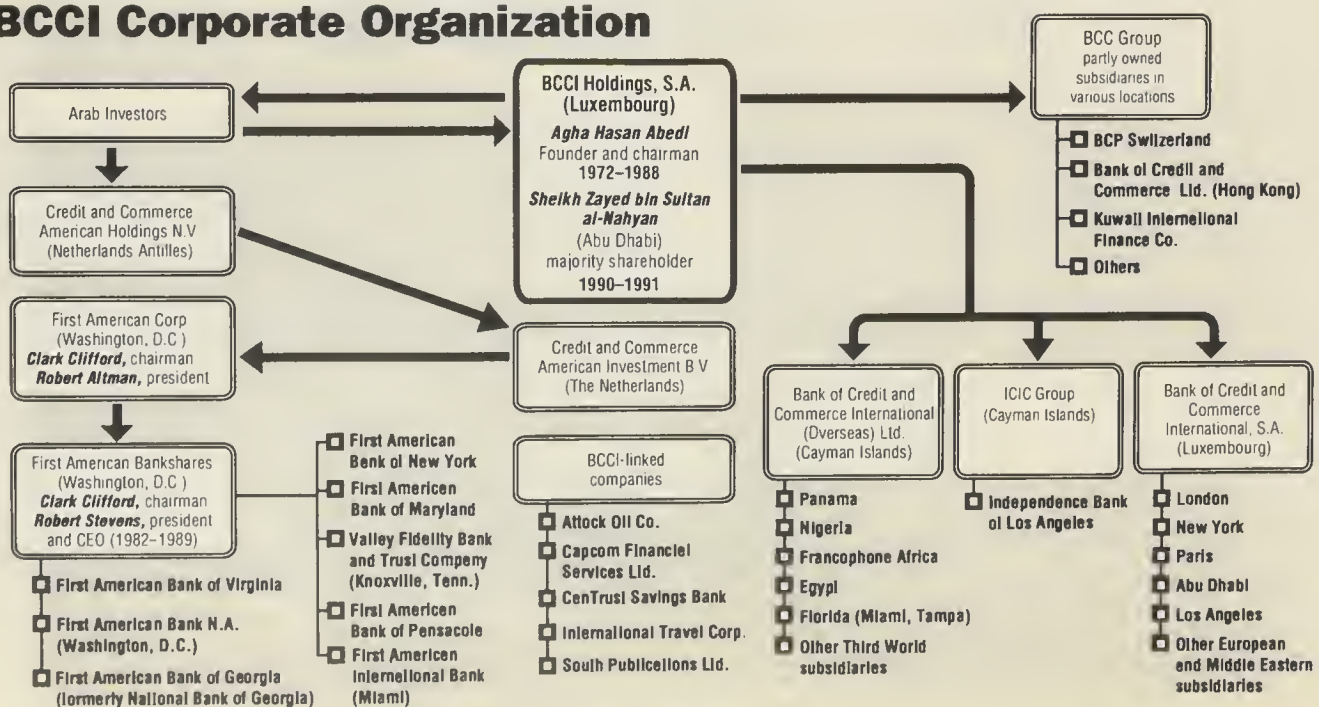
(Listing does not preclude further review.)

Allen, David Grayson and Kathleen McDermott. *Accounting for Success: A History of Price Waterhouse in America, 1890-1990* (Harvard Business School Press, 1993, \$35). This careful business history of Price Waterhouse offers important insights into the challenges faced by a decentralized partnership and about the competitive and operational pressures it has experienced.

Smith, Roy C., *Comeback: The Restoration of American Banking Power in the New World Economy* (Harvard Business School Press, 1993, \$27.95). Smith gives a brief overview of the American banking system from the 1930s to the 1970s, moves into the 1980s, with a detailed look at the bank failures and forced restructurings that damaged the power and prestige of the country's largest banks, and then examines the "comeback" of the American banking industry in the face of declining global competition.

Trimble, Vance, *Overnight Success: Federal Express & Frederick Smith, Its Renegade Creator* (Crown Publishers, Inc., 1993, \$25). Trimble's biography documents the life of American entrepreneur Frederick Smith, from the tumultuous 1970s to 1991, when Federal Express was grossing billions of dollars a year.

BCCI Corporate Organization



This chart isn't comprehensive; certain companies and relationships were omitted for space reasons

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NEWSDAY / NEW YORK NEWSDAY

Newspaper In Education



A LOOK BACK AT THE RENOWNED BALTIMORE & OHIO RAILROAD COMPANY

By WILLIAM C. SCHMIDT, JR.

The Baltimore & Ohio Railroad Company (B&O) was the first chartered railroad in the United States, the start of a transportation industry that would propel the nation through the industrial revolution and to the pinnacle of economic achievement. In the early 1800s, it became obvious that real wealth could be acquired by transporting the goods and resources of the great Mississippi valley to the east coast where they could be processed for market and export. Envious Baltimore merchants saw their New York counterparts getting rich from such trade, with the cargoes reaching New York by means of the Erie Canal. To enable Baltimore to compete with New York for this lucrative trade, the Maryland legislature chartered the B&O in February, 1826. Stock put on sale in Baltimore, Hagerstown, and Frederick was immediately snapped up by an enthusiastic public.

The first stone of the B&O was laid in Baltimore on July 4, 1828, against the backdrop of a mammoth civic celebration. Charles Carol, the last living signer of the Declaration of Independence, turned the first earth. Construction began in earnest soon after. By May, 1830, the 13

miles of track between Baltimore and Elliott's Mills, Maryland was in service, using horse-drawn trains.

In August, 1830, Peter Cooper's steam locomotive, the Tom Thumb, established the practicality of steam power on the steep and winding grades of the road by making a round trip between Baltimore and Elliott's Mills pushing a car with 23 people at speeds up to 18 miles an hour. By 1835, the B&O was operating seven locomotives and had 44 passenger cars and 1,078 freight cars.

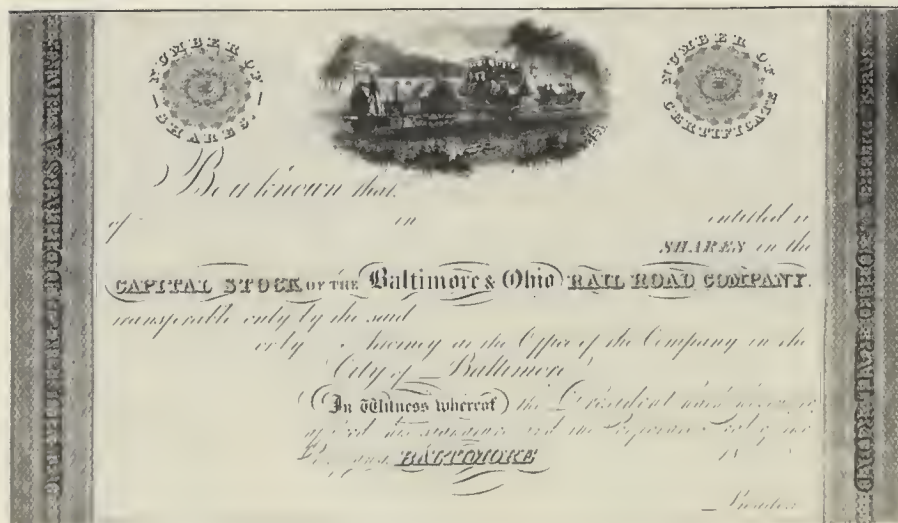
By January, 1853, the B&O reached to Wheeling, Virginia (now West Virginia), some 379 miles. A trip that used to take several days by coach had been shortened to a mere 16 hours. In the 1860s and 1870s, the line was extended to Chicago and St. Louis.

The depression of 1893 hit many businesses very hard, including the B&O's principal financial supporter, the Baring Brothers' banking firm of London. The road struggled for several years before declaring bankruptcy in 1896. The receivers, however, had a long association with the railroad industry and knew what had to be done. They spent millions of dollars improving the railroad's

physical condition and, in 1899, terminated the receivership, leaving a financially sound B&O.

By 1901, the B&O had over 3,200 miles of main line track and numerous branches. The B&O continued to grow after the receivership, eventually reaching Cleveland and Lake Erie. By the early 1960s, however, the B&O, like many other railroads, was in dire financial straits. Its traffic had fallen to a shadow of what it was in earlier years due to competition from the automobile and airplane.

In 1963, the B&O was acquired by the much stronger Chesapeake & Ohio Railway Company, also known as the Chessie system, although the B&O continued to operate independently. In 1971, the B&O discontinued long distance passenger train service when the National Railroad Passenger Corporation (Amtrak) took over, although it continued limited commuter service in selected areas. In 1980, the Chessie system merged with the Seaboard Coast Line resulting in formation of the CSX Corporation. At the time of the merger, the B&O represented one-fifth of the mileage, revenue, and work force.



A Baltimore & Ohio Rail Road Company stock proof from the 1830s has a charming vignette of a very early train (detail at right).

William C. Schmidt, Jr. is the president of the Bond & Share Society American Chapter, and also serves as a trustee for the Museum of American Financial History.



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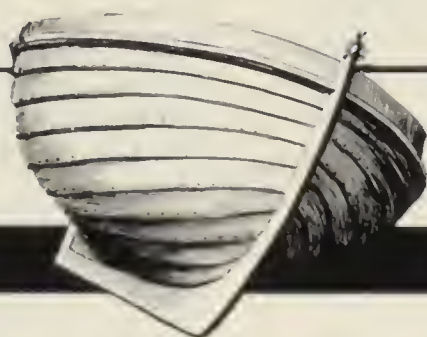
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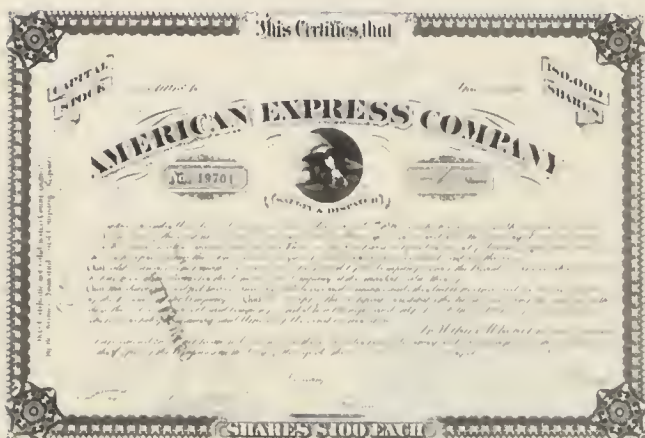
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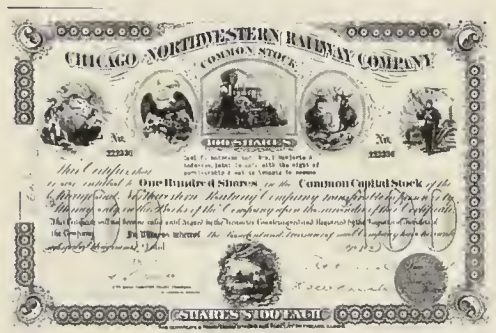
Festival supported in part by the Folk Arts Program of the New York State Council on the Arts.

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(Highlights from our Fixed Price List #1092)



C1052 American Express (NY) 1870's. Type VI. Shares, black borders, orange underprint. Signed as president by William G. Fargo of Wells & Fargo, by J. Knapp as secretary, and Alex Holland as treasurer. ABN. EF. \$425



In our opinion one of the most attractive and decorative stock certificates ever issued by a railroad company. Handsomely engraved by American Bank Note, this lovely certificate features a train loading passengers flanked by seals of the States of Illinois, Wisconsin, Michigan, Iowa and Minnesota. Incorporated in 1859, the company's lines extended from Chicago with ramifications throughout the aforementioned States as well as North and South Dakota, Wyoming and Nebraska, operating a total of more than 8,400 miles of tracks. Uncancelled and in extremely fine condition!

C1303 Chicago & Northwestern Rwy (IL-WI-MI-IA-MN) 1937. 100 Shares. Green. Train. State arms. EF+. \$15



Widely recognized as the most beautiful and sought-after post-1960 American stock, Ringling Brothers is a wonderful example of multi-colored security printing in circus poster style. The attention and expense lavished on this issue can only be explained by the value that circus people attach to what they refer to as "flash." (Roughly translated, "flash" is a brilliant display used to attract attention.) The history of the company dates back to the 1923 when the Ringling Brothers formed a partnership with Barnum and Bailey. During 1929, John Ringling borrowed over \$1,000,000 and bought out many smaller, competing shows. Three years later he chartered a Delaware corporation called Ringling Brothers - Barnum and Bailey Combined Shows, Inc. In 1971 Ringling Brothers merged with Mattel. When Ringling Brothers stockholders were asked to trade in their circus stocks for Mattel certificates many refused. They were reluctant to part with their beautiful certificates and Mattel officials had to work out an accommodation. Mattel offered to stamp the Ringling Brothers certificates in a corner and return them to the original owners. Some were stamped and returned, while others remain in the hands of their original owners to this day. This may explain why so few examples are available to collectors.

C1065 Ringling Brothers - Barnum & Bailey Combined Shows, Inc. (DE) 1960-75. 100 Shares. Multi-colored circus figures, green borders. ABN. EF. \$495

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A Look at Strasburg '93

ASIDE FROM THE BUSY AUCTION ACTIVITY, FRIENDS GATHERED TO RAISE A GLASS, AND TALK OF THE YEAR GONE BY ...



John Heleva (Calif.), John and Diana Herzog and Barry Weder (NY), and Judith and Claud Murphy (North Carolina)



Bob Kluge (New Jersey), and auction guest

ATTENTION DEALERS AND COLLECTORS!

Send us your photos and thoughts on auction events taking place throughout the year, and we'll include them in upcoming issues of *Friends of Financial History*.



Rudiger K. Weng (Germany) and Frank Hamelbacher (New York)



Mike Verssid (England), Richard Urnston (New Jersey), and Ian Marshall (Canada)



Dave Freyberg, Paul Peel (Colorado), and Sam Withers (Missouri)



FRIENDS AUCTION #48 MAIL BID ONLY

Deadline for Receipt of Bids:

TUESDAY, MAY 25, 1993 - 12:00 NOON

COLORS:

ye - Yellow	bl - Blue	or - Orange
br - Brown	ol - Olive	go - Gold
gr - Green	rd - Red	gy - Grey

CODES:

Cb	- Coupons, bound with the certificate.
Cs	- Coupons at the side.
Cu	- Coupons underneath.
U	- Unissued (All certificates are Issued Common Stock, unless specified).
P	- Preferred Stock.
CD	- Certificate of Deposit.
PH	- Pinholes.
TCH	- Tiny cancellation holes.
POC	- Punch Out Cancellation.
STATES	- Two letter postal codes.

- Universal Motor (AZ) 1909.** 250 shs, gy, go embossed corporate seal and underprint. Woman raises bulb connected to a dynamo, plant and street car in the background. (\$40-Up)
- Minera Mexicana La Soledad Y Amexas (Mexico) 1936.** \$100 bond, Cb, gr. Underground mining scene. (\$30-Up)
- New York State Comptroller's Office 1847.** \$998.12. Stock issued under "An act to provide for paying the debts of insolvent Safety Fund Banks". Small ink corrosion hole along margin at bottom right and soiled at upper right. PH. (\$45-Up)
- Northern Alabama Coal, Iron & Rwy (NJ) 1900.** \$1000. First Mortgage 5% 40-Year Gold Bond, Cb, bl. Trains flanking miner. Mining scene, bottom center. ABN. (\$30-Up)
- Old Colony & Newport Rwy 1864.** One share, bl-gy paper, rd printed seal featuring an early locomotive. R44 (initialled & dated). (\$50-Up)
- Atlantic City Racing Association (NJ) 1945.** \$5000. 8% Cumulative Income Bond, go borders and underprint. Signed as president by John B. Kelly, olympian, politician and businessman; father of Grace Kelly (Princess Grace of Monaco). (\$100-Up)
- Onelda Gold Mining & Milling 1900.** San Francisco, CA. 100 shs, gr. Mining scene at bottom center. Dividend warrants below. (\$40-Up)
- Motors Equity (DE) 1921.** 100 shs. #44. Title against grey cloud-like background. "COMMON" in red. (\$40-Up)
- Jumper Californian Gold Mines (ME) 1910.** 5 shs, or. Printed in French and English, and features the U.S. seal. Dividend warrants below. Two minor fold splits, otherwise fine. (\$30-Up)
- Credit Foncier du Bresil et de l'Amerique du Sud 1928.** 100 Francs, Cu, br. Cherub, Medusa and Mercury along ornate borders. (\$30-Up)
- Tasmanian Government Treasury Bill (Hobart) 1892.** £100. Royal seal. British IR. Trimmed close at right, wide margins. (\$100-Up)
- Union Pacific Mining & Milling (CO) 1895.** 4000 shs, go. Underground mining scene. (\$60-Up)
- Manchester Gold Mining (CO) 1894.** Colorado Springs. 10,000 shs, gy. Flowers around title. Farm produce, bottom center. (\$60-Up)
- Superior California Farm Lands (DE) 1916.** 5 shs, rd. Voting Trust Certificate. Eagle fronting farms. RBN. (\$35-Up)
- National Society of Music (NY) 1914.** 250 shs, br. #61. Eagle, anchor, shield. P. Unusual. (\$40-Up)
- Le Nouveau Monde (CA) 1850.** 5 shs. Printed in French & English. Security cut at left. French IR. (\$75-Up)
- Standard Creameries (DE) 1929.** 100 shs, gr. Dairy cows by a stream. SBN. (\$30-Up)
- Beaver Oils (Canada) 1916.** Alberta. 1000 shs, gy, go embossed corporate seal & underprint. Beaver. (\$40-Up)
- Sonora Consolidated Mill & Mining (NY) 1883.** Altar District, Sonora, Mexico. 100 shs, gy. Miners working underground. Hatch Lith. PH. Issued to and signed by Edwin Neely as secretary and as trustee. (\$70-Up)
- Androscooggin & Kennebec RR (ME) 1862.** 2 shs, bl paper, rd printed seal. Incorporated in 1845, became a part of Maine Central RR. (\$50-Up)
- Yellow Jacket Mines (AZ) 1915.** 200 shs. Ornate borders. Leonhardt & Son imprint. (\$30-Up)
- Fidelity Oil of New Jersey (NJ) 1920.** 50 shs, br. State arms. (\$30-Up)
- Section Seven Oil (AZ) 1903.** 250 shs, gy, go embossed corporate seal and underprint. Deer, upper left. (\$25-Up)
- Philadelphia Rapid Transit (PA) 1927.** One share, or. Double-decker bus flanked by trolley and train on elevated rails. SBN. (\$30-Up)
- Chicago, Saint Paul, Minneapolis & Omaha Rwy 1920.** One share, br borders and security underprint. Locomotive flanked by steamboat and train crossing bridge in ovals. FBN. (\$40-Up)
- Pioneer Steamship (OH) 1914.** Mentor, Special District, Lake County, OH. 5 shs, gy, or underprint. Photographic vignette of an oil tanker. TCH. (\$30-Up)
- New Haven & Northampton (CT-MA) 1889.** 100 shs, gr. Locomotive #25, sailboat. State arms. ABN. (\$35-Up)
- Radiant Oil (DE) 1921.** 10 shs, gr. Reclining allegorical woman. (\$25-Up)
- Berkeley County Land & Stock (SC) 1887.** 5 shs, gy. #7. Cattle, ranch. Soiling along certain folds. WECO. (\$50-Up)
- Rock Island (NJ) 1910.** 96 shs, gr. Locomotive pulls into busy station. ABN. P. (\$30-Up)
- Copper Knob Mining (NY) 1881.** 100 shs. Cherub with tray of fruits, locomotive, smoke stacks. PH. ABN. (\$45-Up)
- New York & New England RR 188.** 10 shs, gy/bk. Train. Light soiling at upper right. PH. ABN. (\$30-Up)
- Elk Horn Coal (WV) 1920.** 10 shs, gr. Coal factory. TCH. RBN. (\$30-Up)
- Lehigh Valley RR (PA) 1890.** 25 shs, gy/bk. Company train. Riverside town. State arms. Man's engraving. TCH. Hosford & Sons. (\$35-Up)
- American Express (NY) 1951.** 3 shs, bl. Company logo. Facsimile signatures. ABN. (\$35-Up)
- Michigan Central RR (MI) 1907.** \$10,000 Bond. 4% Gold Bond, ol. #6. Trackworkers, locomotive, horse-drawn wagon. ABN. (\$40-Up)
- Secured by First Mortgage on the Joliet & Northern Indiana Railroad.
- New Lisbon Farm Telephone (NY) 1904.** Garatville, NY. 2 shs, gy, go embossed seal and underprint. Spread eagle on dome. Woman with star-studded cap. (\$35-Up)
- Republic Rubber (NY) 1921.** 25 shs, ol-br. Seated allegorical figure. ABN. (\$30-Up)
- Submarine Boat (NY) 1919.** 14 shs, gr borders & security underprint. ABN. (\$45-Up)
- Hudson Coal (PA).** \$50,000. Registered First Mortgage Sinking Fund 5% Gold Bond, gr. Series A. Coal factory. Rubber stamp cancellations. ABN. Unissued. (\$30-Up)
- Tuxpam Star Oil (DE) 1918.** 100 shs, or. Oil tanks and towers. Corlies Macy & Co. (\$25-Up)
- Tonopah Belmont Development (NJ) 1921.** 1000 shs, br. Miners underground. ABN. (\$30-Up)
- First National Bank of Canonsburg (PA) 1931.** 26 shs, gy/bk. Bank building, early cars. (\$35-Up)
- Torrington & Winchester Street Rwy (CT) 1897.** 10 shs, gr. #32. Title against grey cloud-like background. (\$30-Up)
- Lanyon Zinc (NJ) 1906.** 65 shs, br. Seated allegorical figure, anvil, and gear. FLB. (\$30-Up)
- American Ammonia Manufacturing (VA) 1898.** 11,200 shs, gy/bk. Spread eagle. Gast Lith. (\$25-Up)
- Automatic Penny Stores (NY) 1910.** 100 shs, or. State arms. Corlies, Macy & Co. (\$40-Up)
- West Jersey Ferry (NJ) 1893.** 38 shs, br, beige underprint. State arms flanked by steam ships and train crossing bridge. (\$30-Up)
- Chester Street Rwy (PA) 1933.** 2936 shs, gy/bk. Streetcar. Issued to the Delaware Electric Power Co. (\$25-Up)
- Utah Mining (UT Territory) 1880.** 100 shs, gy/bk. Prospectors. Indian on kayak. Hosford & Sons. (\$45-Up)
- American Cable (NY) 1877.** 25 shs, br. Woman holds lightning sparks. Bust engraving of Morse. Waterstained. CNB. Issued to S. B. Morse, but not signed. (\$150-Up)
- A similar item realized \$130 + 10% in Friends Auction #47, Lot 104.
- Spreckels Sugar (DE) 1929.** 1000 shs, bl. #19. "Caneheart Brand" logo. Issued to Rudolph Spreckels and signed for him by Howard Spreckels on the verso. (\$50-Up)
- Midway Oil (AZ) 1917.** 100 shs, br. Riverside oil site. Gusber, either side. (\$25-Up)
- Dion Magneto-Electric (ME) 1896.** 100 shs, go-br. Streetcar. (\$30-Up)
- Suisun & Fairfield Water 1866.** One share. Dam. Brown eagle on shield central underprint. R48 (initialled & dated). (\$75-Up)
- Brunswick Consolidated Gold Mining (CA) 1906.** Grass Valley Mining District. 100 shs, gy/bk. State arms. Trimmed close to margin, glued stub partially cover portions at left. Britton & Rey Lith. (\$40-Up)
- Standard Vapor Fuel Iron & Steel (NY) 1884.** 500 shs, gr. Workers, locomotives on factory grounds. FBN. (\$30-Up)
- C. & M. Aldamas Lease Pool 1925.** Los Aldamas, Neive Leon, Mexico. 2 Interests, br. Large spread eagle. Full-height gusbers along side margins. (\$25-Up)
- Tabard Inn Book (WV) 1912.** 34 shs, or. Unusual and interesting vignette featuring an old country inn. (\$50-Up)
- South Carolina Rwy (SC) 1881.** \$1000. Purchase-Money Mortgage Income Bond, gy/bk. Blacks pick cotton, either side. ABN. (\$100-Up)
- Boston & Albany RR (NY-MA) 1903.** 10 shs, gy/bk. MA arms flanked by harbor scenes. NY arms below. ABN. (\$25-Up)
- Nevada Leasing (SD) 1906.** 5 shs, or. Woman at upper left. (\$20-Up)
- Mississippi Valley (MI) 1883.** 10 shs, gy, br security underprint. Locomotive leaving covered turntable. National Bank Note. (\$35-Up)
- Terminal Realty (IN) 1922.** Indianapolis, IN. 5 shs, gr. Trolley. (\$25-Up)
- Sunshine Oil & Gas (OK) 1919.** 100 shs, gy, go embossed corporate seal and underprint. Oil field, towers. Issued to and signed by A. L. Barnard as president. (\$25-Up)
- Mankins Oil 1920.** Wichita Falls, TX. 100 shs, gr. Riverside oil site. Gusbers along side margins. (\$25-Up)
- Prudential Petroleum 1919.** Fort Worth, TX. 50 shs, gr. Oil sites on top corners. (\$25-Up)
- Horseshoe Western Oil 1919.** 5 shs, or. Member's Certificate of Interest. Riverside oil site. Gusbers along side margins. (\$25-Up)
- Mount Stewart Gold Copper (WA) 1902.** 500 shs, gy/bk. Title in red. Mountain peak, smoke stacks, men on horses, donkeys. Cancelled red documentary stamps. (\$40-Up)
- International Press Bureau (IL) 1913.** 5 shs, gr. #3. State arms flanked by ship and farm scene. (\$20-Up)
- Real Ari Theatres (OR) 1922.** One Share, gy, go embossed corporate seal and underprint. #29. Spread eagle, flag. (\$25-Up)
- Sherman & Barnsdall Oil 1865.** 50 shs, gy/bk, or embossed paper seal. Men work on oil tanks and barrels. Ink cancelled. R44, R48 (both initialled & dated.) (\$100-Up)
- American Trotting Register 1906.** Official Certificate listing "King Locomo" to the Register, br, rd-or embossed seal. Trotting horse. Handsome and unusual! (\$50-Up)

- 74 **St. John Wood Working** 1930. 62 shs, gy/bk. Spread eagle on shield, ships. Ink smudge at upper right. (\$50-Up)
- 75 **Alaska United Gold Mining** 1932. *San Francisco, CA.* 50 shs, ol. Sphinx. Miners working above ground as supervisor looks on, mountains in the distance. (\$50-Up)
- 76 **Stadium Maintenance** (NY) 19_. Shares, br. State arms. Brown-Green Specimen. Yankee Stadium! (\$90-Up)
- 77 **Chicago & Eastern Illinois RR** 18_. Shares, bl. Locomotive at upper left and bottom center. Signed, but not issued. FBN. P. (\$30-Up)
- 78 **Orinoco Steam Navigation of New York** (NY) 1852. \$1000, gy, rd "1000". Ferry boat, cotton wagon. Allegorical women. Minor ink corrosion holes, otherwise fine and handsome. RWHE. (\$100-Up)
Chartered by the State of New York and granted by the Republic of Venezuela.
- 79 **Ashley's Bromine & Arsenic Spring** (TN) 1899. *Bristol, TN.* 10 shs, gr borders and ornate central underprint. #4. Lovely water fountain, farm scenes, factory, ship. Calvert Lith. Issued to and signed by A. D. Reynolds as president. (\$125-Up)
- 80 **Homestead Fire Insurance** (MD) 1927. 20 shs, bl. Two-story building, vintage convertible automobile. (\$60-Up)
- 81 **Jersey City** (NJ) 1925. \$1000. Tax Revenue Bond of 1924, gr. State arms. HBN. (\$25-Up)
- 82 **Hovermarine** (PA) 1973. 5 shs, or. Company logo. Facsimile signatures. Jeffries Bank Note. (\$20-Up)
- 83 **Granite City Steel** (DE) 1965. 100 shs, or. Muscular male. Facsimile signatures. ABN. (\$25-Up)
- 84 **United Founders** (MD) 1930. One Share, gr. Spread eagle. TCH. HBN. (\$30-Up)
- 85 **MCI Communications** (DE) 1988. \$1000 Registered Bond, rd. Allegorical woman holding globe. Facsimile signatures. ABN. (\$20-Up)
- 86 **United Printers & Publishers** (DE) 1950. 100 shs, gr. Allegorical female, ship, city skyline in the distance. Facsimile signatures. TCH. EAW. (\$20-Up)
- 87 **Copper Plate Sheet & Tube** (NJ) 1928. 110 shs, rd. Tiger. HBN. (\$25-Up)
- 88 **Continental Candy** (NY) 1920. 100 shs, br. Company logo flanked by winged allegorical figures. ABN. (\$25-Up)
- 89 **El Salvador Silver Mines** (DE) 1920. 100 shs, br. Spread eagle on shield, train, ships. FL-ABN. (\$40-Up)
- 90 **Bay State Gas** (DE) 1910. 100 shs, bl. Massachusetts arms at upper left. FBN. (\$25-Up)
- 91 **Hambleton** (DE) 1930. 50 shs, pr. Seated allegorical woman, tractor, plane. Facsimile signatures. ABN. (\$20-Up)
- 92 **American Telegraph-Typewriter** (DE) 1911. 250 shs, gr. Mercury flanked by early telegraph typewriters. HBN. (\$75-Up)
- 93 **Penn Seaboard Steel** (NY) 1926. 100 shs, gr. Semi-nude allegorical figures. ABN. (\$30-Up)
- 94 **Huntington-Pacific Oil & Refining** (CA) 1921. 250 shs, gy, go embossed corporate seal and underprint. Oil field, towers. (\$25-Up)
- 95 **California Commercial Refining** (DE) 1924. 4 shs, or. Spread eagle, sunnise, bay city. P. (\$25-Up)
- 96 **Berkshire RR** 1908. 5 shs, gr. Locomotive. ABN. Lith. (\$40-Up)
- 97 **Montclair Rwy** 1872. 100 shs, gy/bk. Train, top center and lower left. Henry Seibert & Bros. (\$70-Up)
Active between 1871-75, later became the Montclair & Greenwood Lake RR.
- 98 **Capital Traction** (DC) 1900. 10 shs, ol-br. U.S. Capitol and grounds. ABN. (\$45-Up)
- 99 **"Happy Jack" Copper Mining & Development** (AZ) 1907. 100 shs, go. Mountain trails flanked by mining scenes in circles. (\$45-Up)

- 100 **Louisiana Purchase Exposition** 1902. One Share, gr. Attractive full certificate vignette of the Exposition's central park and surrounding buildings. Minor fold splits. Lovely commemorative! (\$100-Up)
- 101 **City of Philadelphia** (PA) 1869. \$6000. 6% Loan, gy/bk. Ten beautifully engraved vignettes including the Independence Hall, Washington, Penn, Franklin, train, etc. adorn this lovely certificate. Triangular COC's through signature. ABN. (\$45-Up)
- 102 **Utah & Salt Lake Canal** 1898. 15 shs, all bl. Farms scene. Operated in West Jordan Irrigation District, Salt Lake County, UT. (\$100-Up)
- 103 **Colorado-Gilpin Gold & Radium Mining** (CO) 1916. 1268 shs, ol. Underground mining scene. SBN. (\$50-Up)
- 104 **Holland Medicine** (DE) 1909. 5 shs, gy, br underprint, or embossed seal. Spread eagle on shield. Minor fold splits, otherwise fine and unusual. (\$75-Up)
- 105 **City of Philadelphia** (PA) 1898. \$50,000 Bond, br. #43. Sphinx. City Hall. ABN. (\$75-Up)
- 106 **Cape May & Mithville RR** 1876. 3 shs, gy/bk. Interesting beach scenes featuring bathers fully clothed. Fancy title. Glue staining at left. Duval & Son Lith. (\$80-Up)
- 107 **Franklin Coal of Lykens Valley** 1863. 15 shs, gy/bk. Geometric borders. R44 (initialled & dated). Civil War. (\$50-Up)
- 108 **Delaware RR** 1906. 6 shs, gr. Train. ABN. (\$40-Up)
- 109 **Delaware & Hudson** (NY) 1947. \$1000. First & Refunding Mortgage Gold Bond, pr. Locomotive #1054. PH. ABN. (\$25-Up)
- 110 **Chicago, Rock Island & Pacific RR** (IL-IA-MO) 1893. 50 shs, bl. Handsome bi-color certificate featuring Locomotive "AMERICA" and griffiths flanking a printed denomination. ABN. (\$50-Up)
- 111 **Buffalo & Lake Erie Traction** (NY-PA) 1907. 49 shs, or. Spread eagle on shield. State arms, upper corners. Streetcar. ABN. (\$30-Up)
- 112 **Beech Creek RR** (PA) 1825. \$1000. First Mortgage Registered Bond, or. Allegorical women flanking title. Coal train below. ABN. (\$35-Up)
- 113 **Louisiana** 1931. \$1000. Registered Serial Gold Bond, gr, go embossed seal. Spread eagle. FLB. Signed by Huey "Kingfish" Long as governor. (\$150-Up)
- 114 **Western Pacific RR** (DE) 1938. 60 shs, pr. Train station. ABN. P. (\$35-Up)
- 115 **Hope Diamond Mining** (AZ Terr) 1909. \$100. 8% Bond, br, go embossed seal. Diamonds. Unusual! (\$50-Up)
Only 500 bonds were authorized issued.
- 116 **Lucas E. Moore Slave** (LA) 1922. \$1000. First Mortgage & Collateral Trust 20-Year Sinking Fund Gold Bond, Cb, or. #M2. Spread eagle on shield. RBN. (\$30-Up)
- 117 **Iowa** 185_. \$500. 8% Preferred Construction Stock issued for the Des Moines River Improvement, Cb, gy. Canal scene plus four lovely engravings at corners. Signed, but unissued. RWHE. (\$60-Up)
- 118 **Central-Hudson Steamboat** (NY) 1899. \$1000. First Mortgage Gold Bond, gr. Woman seated on anchor gazes at distant ship. (\$40-Up)
- 119 **General Foods** (DE) 1956. 100 shs, gr. Monogram flanked by allegorical women. Facsimile signatures. ABN. Issued to and signed by Robert Lehman of Lehman Bros. on verso. (\$50-Up)
- 120 **San Francisco City & County** (CA) 1950. \$1000. Airport Bond, gr. Two-propeller plane. TCH. HBN. (\$55-Up)
- 121 **Carolina Central RR** (SC) 1881. \$1000. First Mortgage Bond, Cs, gy/bk. Train crosses bridge, cattle drinking water below. ABN. (\$50-Up)
- 122 **Alabama & Chattanooga RR** (AL-GA-MS-TN) 1869. \$1000. 8% Second Mortgage Sinking Fund Bond, Cu, br. Train loading passengers flanked by factory and coal train. ABN. Rubber stamped R71. (\$50-Up)
- 123 **Edison Portland Cement** (NJ) 1899. 100 shs, br. Thomas Edison's handsome bust engraving. ABN. (\$50-Up)
- 124 **Oswego & Rome RR** (NY) 1865. One Share, gy/bk. Train, steamboat. State arms below. Hatch Lith. (\$50-Up)
- 125 **Mississippi & Missouri RR** (IA) 1857. 6 shs, all br. Train, Indians, herd of bison plus three other lovely engravings at left. DW. Signed as president by John A. Dix (1798-1879), Civil War general, NY Governor, U. S. Senator &

Secretary of Treasury; Fort Dix, NJ, is named after him. Small punch holes affect signature in three places, otherwise dark and legible. (\$100-Up)

- 126 **Cincinnati, Wabash & Michigan Rwy** (IN) 1893. 5 shs, gy/bk. Train, steam ship, harvest scene. Train below. WBN. (\$65-Up)
Small POC's partially touch upper vignette.

- 127 **Empire Gold Mining** (CO) 1896. *Cripple Creek District, CO.* 1000 shs, gy, or underprint, bl embossed seal. #55. Eagle on shield and globe. (\$70-Up)

- 128 **Union Mutual Insurance** 1871. 510 shs, gy/bk, pr "1871". Eagle, flag. Ships, rowboat. Sailor holding sextant, ship in the distance. Nude woman bathing. Tightly trimmed at bottom. ABN. R44. (\$50-Up)

- 129 **Orient Gold Placer Mining** (CA) 1889. *North San Juan, Nevada County, CA.* 8 shs, gy/bk. Hope, galleon. Prospector. (\$100-Up)

- 130 **Saint Louis Eureka Tanning & Currying** 1867. 5 shs, gy/bk. #12. Minor stain spot. R44 (initialled & dated). (\$35-Up)

- 131 **Atrato Mining & Developing** (ME) 1885. 50 shs, gy/bk. Globe. (\$90-Up)

- 132 **Pittsburgh, Allegheny & Manchester Traction** (PA) 1892. *Pittsburgh, PA.* 60 shs, gy, br. Vignette of the "Golden Triangle" which forms the beginning of the Ohio River. ABN. (\$50-Up)

- 133 **New York & New Jersey RR** 1905. 3045 shs, or. Large turbine flanked by seated allegorical women, harbor and streetcar. ABN. Signed by William Gibbs McAdoo (1863-1941), Secretary of Treasury and U. S. Senator. (\$90-Up)

- 134 **King Edward Silver Mines** (ME) 1909. 100 shs, or. Full-length vignette of the King. ABN. Interesting & unusual! (\$75-Up)

- 135 **Philadelphia & Boston Gold & Silver Mining** (CO Terr) 1881. \$100. 7% Bond. Miners. (\$50-Up)
Secured by a Mortgage of certain Gold Mines, Stamp Mill, Mill Sites and buildings situated in Lake County, Colorado Territory.

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- 137 **City of Providence** (RI) 1897. \$20,000. Handsome bi-color, bl, gy, certificate featuring four beautifully engraved vignettes. ABN. (\$50-Up)

- 138 **American Austin Car** (DE) 1930. 10 shs, or. Muscular man turning large wheel, allegorical figures. Facsimile signatures. ABN. (\$40-Up)

- 139 **National Mining Exploration** (ME) 1909. 100 shs, br. Factory. NYB. (\$40-Up)

- 140 **American-La France Fire Engine** (NY) 1926. 50 shs, bl. Spread eagle. ABN. (\$75-Up)

- 141 **Baltimore, Chesapeake & Atlantic Rwy** (MD) 1907. 84 shs, bl. Commerce, dock scene. Ships. Trackworkers, train. ABN. P. (\$60-Up)

- 142 **Land Investment** 1871. *San Francisco, CA.* One Share, rd, gr underprint. #64. R48. (\$80-Up)

- 143 **East Pennsylvania RR** (PA) 1880. 18 shs, gy/bk. Train. Stains. Finkeldey Lith. (\$30-Up)

- 144 **Kinetophote** (NY) 1917. 50 shs, br. #26. Monogram. Corlies, Macy & Co. P. (\$45-Up)

- 145 **Atlantic City & Shore RR** (NJ) 1907. 100 shs, gr. Trolley in a circle flanked by beach scenes. SBN. (\$100-Up)

- 146 **Green Mountain Summer Home** (VT) 1893. 5 shs, gy/bk. State arms in gold. Coupons attached. Minor stain spot, otherwise fine and unusual. (\$45-Up)

- 147 **Cairo & Kanawha Rwy** (WV) 1910. 5 shs, gy, go embossed corporate seal and underprint. Train emerges from tunnel. (\$45-Up)

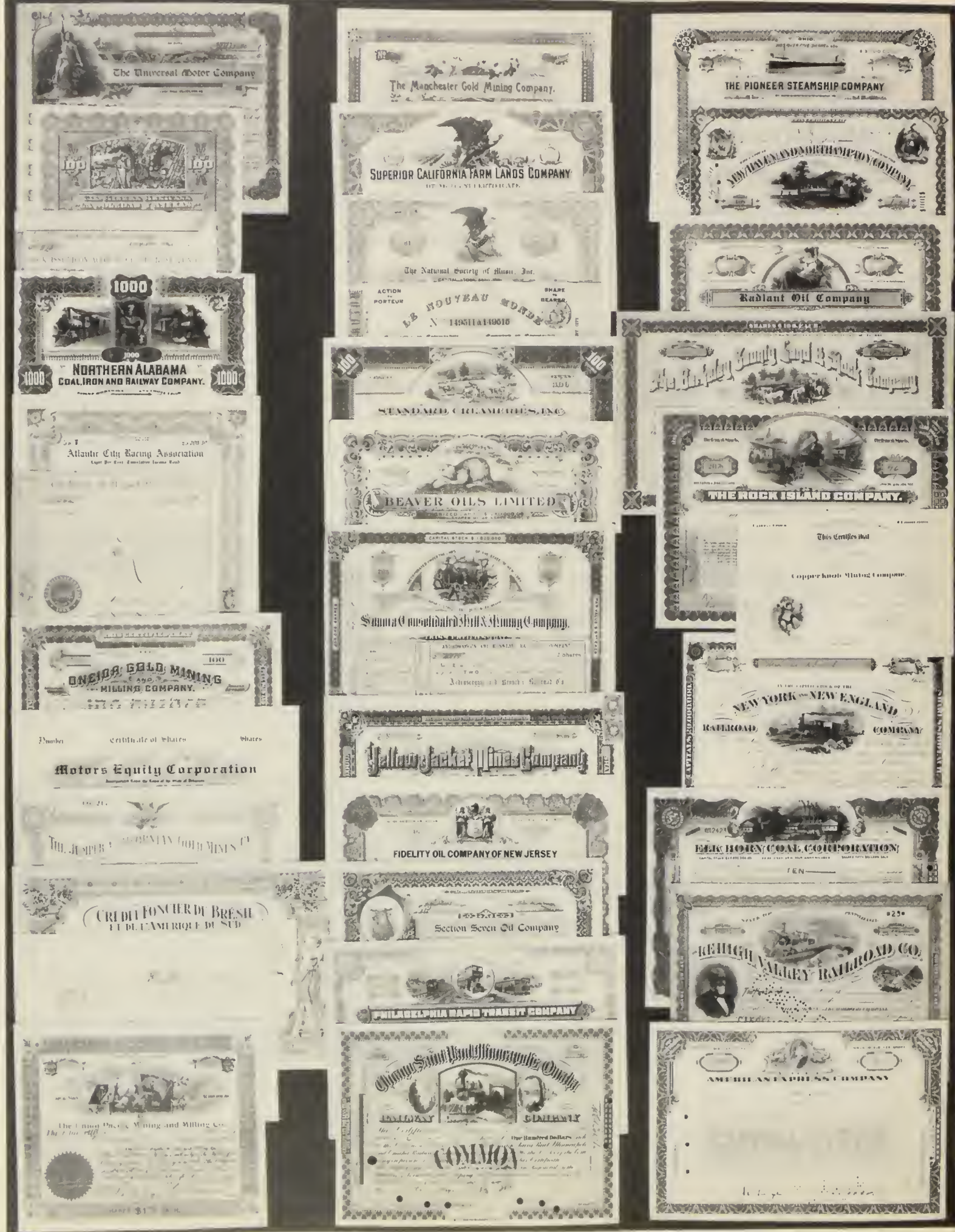
- 148 **Norfolk & Great Western RR - County of Patrick** (VA) 1869. \$1000 Bond, gy/bk. State arms flanked by commercial and agricultural scenes. (\$50-Up)

- 149 **Carlton Home Bakers** (NY) 19_. Shares, gr. #24. Very unusual cinematographic vignette. Unissued. (\$50-Up)

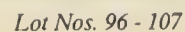
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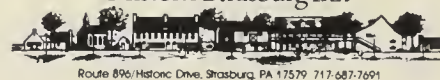
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For More Information, write

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DISPLAY ADVERTISING RATES

Full color back cover: 7 1/2" x 10"	\$900.
Full Page: 7 1/2" x 10"	\$300.
One-Half Page: 4 1/2" x 7"	\$225.
One-Quarter Page: 3 3/4" x 4 1/2"	\$150.

Halltones in your ad will be billed at \$35 ea. Typesetting services are available at \$50 an hour with a one hour minimum. Production services will be performed by our printer and charged along with any halftone and typesetting charges with your space bill.

Advertising deadlines are three weeks prior to publication date. Insert rates are available upon request.

Payment in US dollars from US bank, or bank wire to Republic National Bank, Four World Trade Center, ABA# 026-004828, Account #456-022-430.

Production Schedule for 1993 Friends issue #49, June; #50, September; #51, December.

Plan your advertising now and be sure to ask about our multi-ad commitment discount packages.

Classified Advertising: Open rate \$5 per line, three line minimum. Payment must accompany all orders for classified ads. If payment is not included with ad request, it will not run.

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